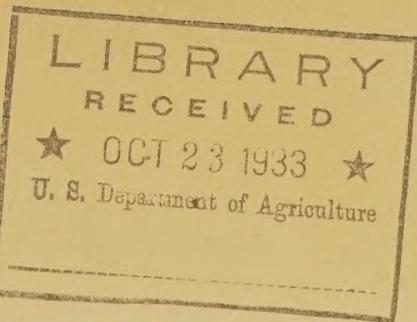


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FORM FOR

NATIONAL MARKETING AGREEMENT FOR MILK

PART I

The parties to this Agreement are the contracting distributors, the contracting producers, and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended; -

- (a) To establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period, the base period in the case of all agricultural commodities except tobacco being the prewar period, August 1909 - July 1914; and -
- (b) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as deemed feasible in view of the current consumptive demand in domestic and foreign markets; and -
- (c) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the prewar period, August 1909-July 1914; and

WHEREAS, pursuant to the Agricultural Adjustment Act, the parties hereto, for the purpose of correcting conditions now obtaining in the production of milk in the _____ production area, and the distribution thereof, and to effectuate the declared policy of the Act, desire to enter into a marketing agreement under the provisions of Section 8 (3) of the Act;

NOW THEREFORE, the parties hereto agree as follows:

PART II

As used in this Agreement, the following words and phrases are defined as follows:

1. "Secretary" means the Secretary of Agriculture of the United States or his duly authorized representative.
2. "Act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.
3. "Person" means individual, partnership, corporation, and association or any other business unit.
4. "Fluid Milk" means milk, cream or any other of the articles listed in Exhibit "C" which are sold for consumption in the hereinafter defined sales area.
5. "Producer" means any person who produces, in the production area, milk sold for consumption as fluid milk in the sales area.
6. "Contracting Producers" means _____

(name of the producers association)

and such other producers as may become parties signatory to this Agreement according to the terms thereof.

7. "Distributor" means any person who distributes fluid milk for consumption in the sales area.

8. "Contracting Distributors" means _____

(name of the distributors association)

and such other distributors as may become parties signatory to this Agreement according to the terms thereof.

9. "Sales Area" means the territory included within the following boundaries:

10. "Production Area" means the territory within the following boundaries:

11. "Subsidiary" means any person, of or over which the contracting distributor, who has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

12. "Affiliate" means any person which has, either directly or indirectly, actual or legal control of or over a contracting distributor, whether by stock ownership or in any other manner.

13. "Books and Records" means books, records, accounts, contracts, memoranda, documents, papers and correspondence, or other written data pertaining to the business of the person in question.

14. "Milk Board" means the Milk Industry Board as provided in Part III hereof.

15. "District Committee" means the District Milk Industry Committee, as provided in Part IV hereof.

16. "Regional Board" means the Regional Milk Industry Board, as provided in Part IV hereof.

17. "National Board" means the National Milk Industry Board, as provided in Part IV hereof.

18. (Insert definitions with respect to other important terms and names of persons used in this Agreement.)

PART III

1. "Members" as used in Part III means the members of the Milk Industry Board.

2. The contracting producers and contracting distributors shall cause to be organized within five days after the execution of this Agreement

by the Secretary, a committee of five to be known as the Milk Industry Board. Two members of the Board shall be elected by the contracting producers; two by the contracting distributors; and the fifth member, to represent the consumers, shall be elected by the other four. Such fifth member shall be a resident of the sales area and shall have no connection financially or otherwise with the distribution of milk or products derived therefrom. The fifth member shall be designated by the Secretary in the event such member is not elected within five days of the effective date of this Agreement by the four members as above provided.

3. Members representing the contracting producers and contracting distributors, respectively, shall be elected by the respective parties in a manner to be determined by themselves, provided that a vote of producers representing not less than 70% of the total volume of milk produced within the production area, which volume percentage of production shall include 60% of the producers, and a vote of distributors representing not less than 70 percent of the milk sold as fluid milk within the sales area, which volume percentage of distribution shall include 60% of the distributors by number, respectively, shall be necessary for such election. Upon election the names of all the members shall be certified by the party or parties conducting such elections to the Secretary for his approval. The Secretary may require that such certification include a statement of the manner and vote by which the respective members were elected and the percentage of the total production or sales of fluid milk within the area represented by such vote. Members whose names have been certified to the Secretary and approved

by him shall enter upon the discharge of their duties. If the Secretary shall not approve a member, there shall be a vacancy on the Milk Board. Any member may be removed, with or without cause, by vote of all producers or distributors, as the case may be, representing a volume of milk equal to at least three-fourths of the volume and number by which he was originally elected. Any vacancies on the Milk Board shall be filled in the same manner and by the same parties as provided for the original election.

4. The Milk Board shall be organized by the members by the selection of a chairman, vice-chairman, who shall be members, and a secretary-treasurer who may or may not be a member. The Milk Board shall employ such agents, assistants and clerks as may be necessary to perform its duties. All officers and employees of the Milk Board who handle funds of the Milk Board or who sign or countersign checks upon such funds shall severally give bonds in such amounts and with such sureties as shall be determined by the Milk Board. The cost of such bonds shall be paid by the Milk Board.

5. The members shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

6. The Milk Board shall be financed as provided in Exhibit "B", which is attached hereto and made a part hereof.

7. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Milk Board:

- (a) to receive and investigate complaints of violations of the terms or conditions of this Agreement and of any license issued in respect to this Agreement and to issue warnings with respect thereto;
- (b) to adjust disputes arising under this Agreement between con-

tracting producers and/or contracting distributors;

(c) to report its findings, with recommendations, to the Secretary for proceedings under the Act or otherwise which he may deem advisable;

(d) to cooperate in the establishment of, to establish, and to record bases for all producers, and to cancel bases of particular producers, in accordance with the provisions of Exhibit "B";

(e) to receive and act upon, in accordance with the provisions of Exhibit "B", the applications of new producers as determined in Exhibit "B";

(f) to receive and collect from distributors reports of sales of the various classes of milk and any other information required by the Milk Board in the performance of its duties;

(g) to review in accordance with the provisions of Exhibit "B" the operations of any sales pool, equalization fund, and marketing plan provided for in this Agreement;

(h) to account for all funds collected pursuant to this Agreement.

PART IV

1. For the purpose of securing maximum advantages to the contracting parties and to consumers under the terms of this Agreement and similar agreements, the Secretary hereby designates the sales area to be in Region No. _____, District No. _____, as indicated in Exhibit "E", which is attached hereto and made a part hereof.

2. A District Milk Industry Committee shall be established for District No. _____, Region No. _____, to consist of one representative of the contracting producers of the production area and one representative of the contracting distributors of the sales area, and if and when designated, other production areas and sales areas in District No. _____, Region No. _____. Such representatives shall be designated by the Milk Boards. The chairman of the first Milk Board organized in District No. _____, Region No. _____ shall call by written notice the first meeting of the representatives composing the District Committee. The District Committee shall be organized at such first meeting by election from among their number, of a chairman, vice-chairman, and secretary, who shall perform the duties usually devolving upon such officers. The Secretary or his designated representative shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the District Committee.

3. A regional Milk Industry Board shall be established for Region No. _____ to consist of one representative of the contracting producers, and one representative of the contracting distributors of District No. _____, and if and when

designated other districts in Region No. _____ . The representatives of each District shall be designated by the District Committee of each District. The Secretary shall call by written notice to the District Committees of Region No. _____ the first meeting of the representatives composing the Regional Board. The Regional Board shall be organized at such first meeting by election from among their number, of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary, or his designated representative, shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the Regional Board.

4. A National Milk Industry Board shall be established for the United States, to consist of one representative of the contracting producers and one representative of the contracting distributors of Region No. _____ , and all other regions as designated in Exhibit "E", attached hereto. The representatives of each Region shall be designated by the Regional Boards of each Region. The Secretary shall call, by written notice to the secretaries of the Regional Boards, the first meeting of the representatives composing the National Board. The National Board shall be organized at such first meeting by election from among their number of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary, or his designated representative, shall _____ receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the National Board.

5. All voting members of the District Committees, Regional Boards and the National Board shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

(a) Expenses of members of District Committees shall be paid by the Milk Boards which such members represent.

(b) Expenses of members of Regional Boards and necessary operating expenses of Regional Boards shall be paid by the Milk Boards of the Region in the manner as hereinafter described.

(c) Expenses of members of the National Board shall be paid by the Regional Boards which such members represent.

6. A budget for a stated period shall be established by the Regional Board to cover its estimated expenses. Such budget shall be submitted to the Milk Boards of Region No. _____ together with a statement of the amount in cents or fractions thereof per hundredweight of fluid milk sold within the region necessary to cover such budget. Each such Milk Board shall note the period of the budget, amount per hundredweight and make payment to the treasurer of the said Regional Board in accordance with the volume of fluid milk sales sold in its sales area _____ for the three months immediately preceding date of budget. Payment of the sums determined in accordance with the provisions hereof may be paid in total or divided into as many installments as there are months covered by the period of the budget. The payment of such total sum, or the installments of such sum, if paid in installments, shall be made upon the twentieth of the month following receipt of the budget, and thereafter if payments are made in installments upon the twentieth of each succeeding month. The payments herein mentioned may, for good cause shown, be deferred from time to time upon approval of the Secretary.

7. The Regional Boards shall maintain a system of accounting and records which shall accurately reflect their true accounts and financial conditions. The Regional Boards' books and records shall be available during the usual business hours for inspection by authorized representatives of the Milk Boards within the Region.

8. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the District Committee;

(a) to act as an advisory and coordinating committee within the industry;

(b) to make recommendations to the Regional Board relative to matters affecting the industry;

(c) to receive and investigate complaints arising from differences between the various sales areas and production areas operating within the district under agreements similar hereto;

(d) to report its findings, with recommendations to the Secretary for proceedings under the Act or otherwise which he may deem advisable.

9. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Regional Board:

(a) to act as an advisory and coordinating board within the industry;

(b) to make recommendations to the National Board relating to matters affecting the industry;

(c) to receive and investigate complaints arising from differences between the Districts;

(d) to make recommendations to the Secretary on matters affecting the industry within its Region.

10. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the National Board:

(a) to act as an advisory board for the industry;

(b) to make recommendations to the Secretary relating to matters affecting the industry;

(c) to receive and investigate complaints arising from differences between the Regions;

(d) to report its findings, with recommendation, to the Secretary for any proceedings under the Act or otherwise which he may deem advisable.

PART V

1. The schedule governing the prices at which, and the terms and conditions under which, milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk, shall be that set forth in Exhibit "A", which is attached hereto and made a part hereof. The provisions of such schedule may be changed from time to time by agreement between _____% of the contracting producers, measured by total volume of milk produced within the production area, which volume percentage of production shall include 60% of the producers on the one hand, and _____% of the contracting distributors measured by total volume of milk sold as fluid milk within the sales area, which volume percentage of distribution shall include 60% of the distributors, on the other hand, provided, however, that such changes shall become effective only upon written approval of the Secretary. Payments to the Milk Board made pursuant to section six (6) of Article II and section two (2) of Exhibit "B", which is attached hereto and made a part of this Agreement, and like payments to _____

(Name of the producers association)

made pursuant to membership agreements, shall, respectively, be deemed part of the price paid to producers.

2. The plan governing the marketing of milk within the production area and the sales area shall be that set forth in Exhibit "B", which is attached hereto and made a part of this Agreement. Such plan may be modified by agreement between _____% of the contracting producers, measured by total volume of milk produced within the production area, which volume of percentage of production shall include 60% of the producers, on the one hand and _____% of the contracting distributors, measured by total volume of milk sold as fluid milk within the sales area, which volume of percentage of distribution shall include 60% of the distributors, on the other hand,

provided, however, that such changes shall become effective only upon the written approval of the Secretary.

3. The schedule governing the prices at which and the terms and conditions under which fluid milk shall be distributed and sold by the contracting distributors in the _____ Sales Area, shall be that set forth in Exhibit "C", which is attached hereto and made a part of this Agreement. Such schedule may be changed from time to time by agreement between _____ % of the contracting producers, measured by total volume of milk produced within the production area, which volume of percentage of production shall include 60% of the producers, on the one hand, and _____ % of the contracting distributors measured by total volume of milk sold as fluid milk within the Sales Area, which volume of percentage of distribution shall include 60% of the distributors, on the other hand.

4. The contracting distributors agree that they will not purchase milk from any producer not a member of the _____

(name of the producers association)

unless such producer authorized the purchasing contracting distributor to pay over to the Milk Board the same amount per hundred pounds of milk purchased which members of the _____

(name of the producers association)

are then authorizing the contracting distributors to pay over to the

(name of the producers association)

on behalf of its members, and such purchasing contracting distributors shall simultaneously with making payment to the producer for milk purchased, make payment as aforesaid to the said Milk Board. The sum so paid shall be kept as a separate fund by the Milk Board and expended by said Milk Board in securing for non-members of the _____

(name of the producers association)

services and benefits generally similar to those which are secured by the members

~~of the~~

(name of the producers association)

by virtue of their like payments to _____

(name of the producers association)



The Milk Board shall employ the _____
(name of the producers association)
as its representative for rendering services and acquiring benefits for the
non-members of the _____
(name of the producers association)
similar to those rendered and acquired by members of the _____
(name of the
producers association)

by virtue of their membership whenever the _____
(name of the producers
association) is in a position to render such services and

confer such benefits. Such Milk Board shall keep separate books and records
in form satisfactory to the Secretary pertaining to such funds, which said
books and records of the Milk Board shall be subject to the examination of the
Secretary during the usual hours of business, and that the Milk Board shall
from time to time furnish the Secretary such information as the Secretary may
require.

5. All contracting producers, not members of _____
(name of producers association)

shall be permitted to become members of the _____
(name of the producers
associations) on an equal basis with existing
members similarly circumstanced.

6. The contracting producers and the contracting distributors shall
severally maintain systems of accounting which shall accurately reflect the
true accounts and conditions of their respective businesses, which shall include
any subsidiary or affiliate. Their respective books and records (including the
books and records of such subsidiaries and affiliates) shall, during the
usual hours of business, be subject to the examination of the Secretary
to assist him in the furtherance of his duties with respect to this Agree-
ment, including verification by the Secretary of the information furnished on
forms hereinafter referred to. The contracting producers and contracting dis-
tributors shall severally, from time to time, furnish information to the Secret-
ary on and in accordance with form to be determined by him, each of which re-

ports shall be verified under oath. The Secretary, in his discretion, may permit the omission of any such subsidiary or affiliate from any such reports.

In the event that the _____

(name of the producers association)

and/or the Milk Board and the Secretary shall have occasion to collect identical information from the same parties, the _____

(name of the producers)

_____ or the Milk Board, as the case may be, association)

shall use forms acceptable to the Secretary and arrangements shall be made for triplicate reports to be submitted to the Secretary and the _____

(name of

_____ and the Milk Board. All information the producers association)

(unless it would have been otherwise legally obtainable by the Secretary) obtained by or furnished to the Secretary, pursuant to this paragraph, if designated in writing as such when so obtained or furnished, shall remain the confidential information of the Secretary, and shall not be disclosed by him except upon lawful demand by the President, by either House of the Congress, of any committee thereof, or by any court, or when offered in evidence in any hearing authorized by the Act, or otherwise in the suspension or revocation as to one or more persons of any license issued by the Secretary, whether or not such information was obtained from or furnished by the person or persons with respect to whose license the hearing was held. The Secretary, however, may combine and publish the information obtained from or furnished by the contracting parties in the form of general statistical studies or data. The Secretary may make and issue such regulations and prescribe such penalties in accordance with the provisions of Sub-Section (c), Section Ten (10) of the Act, as he may deem advisable in the event of any violation of the confidence or trust as imposed herein.

7. All fluid milk marketed and distributed in interstate commerce in accordance with the terms of this Agreement shall be produced, received, transported, processed, bottled, and distributed in accordance with the provisions of the health laws, ordinances and regulations of the Federal, state, municipal, or other political sub-divisions within which such milk is marketed and distributed. All such ordinances and regulations for the purposes herein stated shall be deemed a part hereof.

8. The schedule of fair practices set forth in Exhibit D, which is attached hereto, and made a part of this Agreement, shall be the uniform schedule of fair practices for the Sales Area. The provisions of such schedule may be changed from time to time by agreement between % of the contracting distributors measured by total volume of milk sold as fluid milk within the sales area, which volume of percentage of distribution shall include 60% of the distributors by number, provided, however, that such changes shall only become effective upon the written approval of the Secretary.

9. The contracting distributors hereby apply for and consent to licensing by the Secretary, subject to the applicable general regulations, Agricultural Adjustment Administration, prescribed by the Secretary and approved by the President, and not otherwise.

10. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and this Agreement shall continue in force until terminated in one of the following ways:

(a) The Secretary may at any time terminate this Agreement as to all parties thereto by giving at least one day notice by means of a press release or in any other manner which the Secretary may determine.

(b) The Secretary may, at any time terminate this Agreement as to any party signatory thereto, by giving at least one day notice, by depositing the same in the mail and addressed to such party at his last known address.

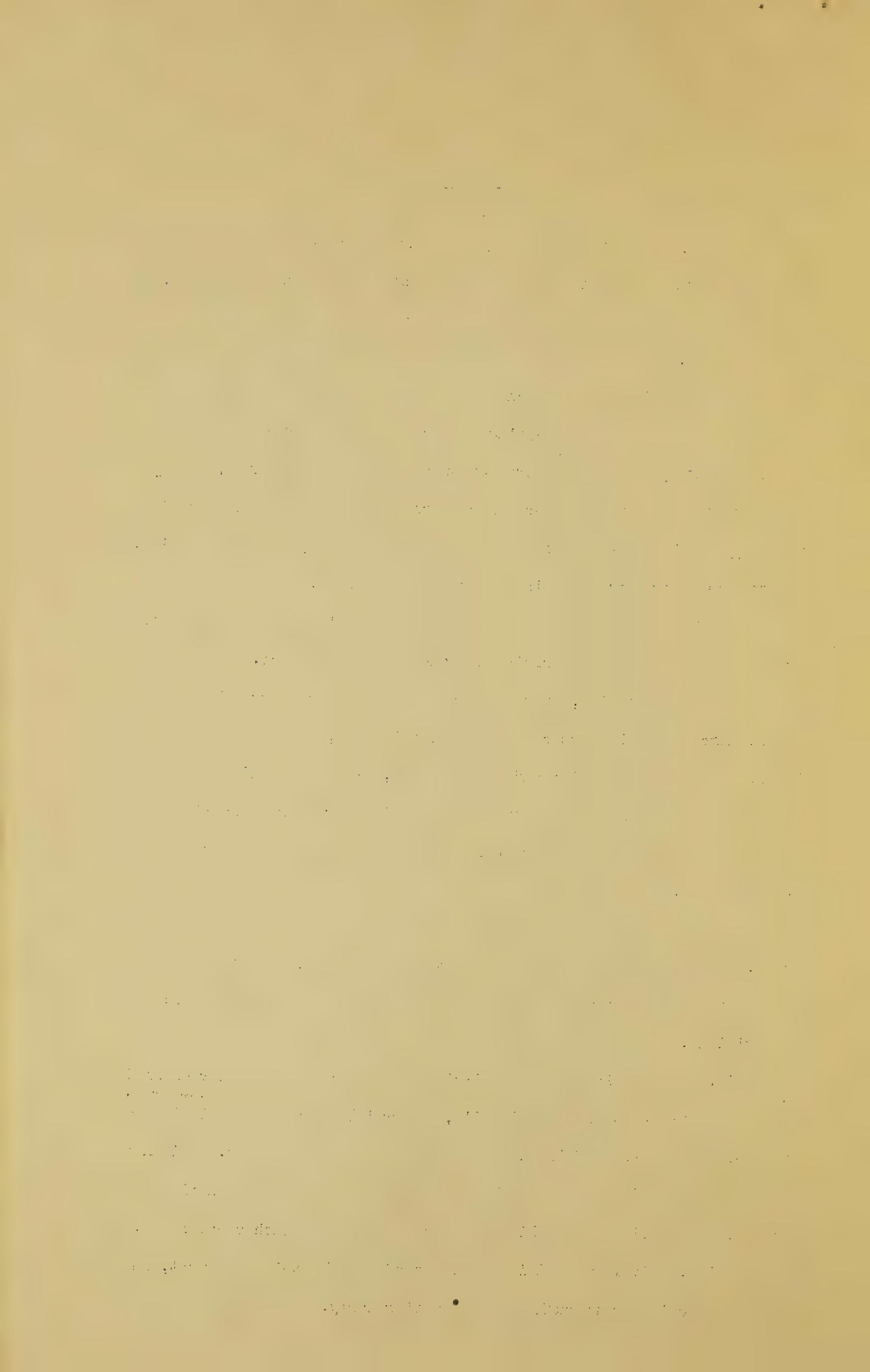
(c) The Secretary shall terminate this Agreement upon the request of ____% of the contracting producers, which percentage of producers shall include ____% of the production of the Production Area, or ____% of the contracting distributors which percentage of distributors shall include ____% of the fluid milk sales of the Sales Area, by giving notice, in the same manner as provided in subdivision (a) above.

(d) This Agreement shall in any event terminate whenever the provisions of the Act authorizing it cease to be in effect.

11. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges and immunities conferred by this Agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done prior thereto.

12. This Agreement may be executed in multiple counterparts, which, when signed by the Secretary, shall constitute, when taken together, one and the same instrument as if all such signatures were contained in one original.

13. After this Agreement first takes effect any producer of fluid milk or any distributor of fluid milk, may become a party to this Agreement, if a counterpart thereof is executed by him and the Secretary. This Agreement shall take effect as to such new contracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges and immunities conferred by this Agreement, shall then be effective as to such new contracting party.



14. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement and/or the applicability of any provision to any other person, circumstance or thing shall not be affected thereby.

15. Nothing contained in this Agreement shall be construed in derogation or modification of the rights of the Secretary to exercise any powers granted him by the Act or otherwise, and, in accordance with such powers, to act in the premises whenever he shall deem it advisable.

16. The Secretary may by a designation in writing, name any person, including any officer or employee of the government, to act as his representative in connection with any of the provisions contained in this Agreement to be performed by the Secretary.

IN WITNESS WHEREOF the contracting producers and the contracting distributors, acting under the provisions of the Agricultural Adjustment Act for the purposes and subject to the limitations herein contained and not otherwise, have hereunto set their respective hands and seals.

WHEREAS, it is provided by Section 8 of the Act as follows:

"In order to effectuate the declared policy, the Secretary of Agriculture shall have power to enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the anti-trust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this Act."

And -

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of the Act, and the regulations issued thereunder; and

WHEREAS, the Secretary finds (1) that the contracting producers and the contracting distributors are engaged in the handling of fluid milk in the current of interstate commerce; and (2) that the conditions existing in the marketing and distribution of fluid milk in intrastate commerce burden the marketing and distribution of fluid milk in interstate commerce; and (3) that the marketing and distribution of fluid milk in intrastate commerce is inextricably intermingled with its marketing and distribution in interstate commerce; and

WHEREAS, it appears, after due consideration, that this Agreement will tend to effectuate the policy of Congress declared in Section 2 of the Act, as hereinbefore in this Agreement set forth;

NOW THEREFORE, I, Henry A. Wallace, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purpose and within the limitations therein contained, and not otherwise, do hereby execute this Agreement under my hand and official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this _____ day of _____, and pursuant to the provisions hereof declare this Agreement to be effective on and after _____ Eastern Standard Time, _____.

Secretary of Agriculture.

EXHIBIT "A"

CLASSIFICATION OF MILK AND PRODUCER PRICES

1. Prices paid to producers shall be determined with reference to the rules for control of basic production and method of payment as set forth in Exhibit "B", attached hereto.

2. Classes of Milk.

All milk purchased and/or sold under this Agreement shall be divided into the following classes:

(a) Class I Milk.

Class I milk shall include all Special, Grade A and Grade B milk used or otherwise disposed of as follows:

All milk sold in bulk and in bottles,
All Bulgarian buttermilk sold in bottles,
All cream buttermilk sold in bottles,
All coffee cream sold in bottles,
All whipping cream sold in bottles,
All special cream sold in bottles,
All chocolate milk,

and shall include the difference between all milk delivered to any distributor and the total reported sales of such distributor in the several classes hereinbefore or hereinafter mentioned.

(b) Class II Milk.

Class II milk shall include all Special, Grade A and Grade B milk used, or otherwise disposed of as follows:

All plain buttermilk,
All milk, which is not already in Class I, from which the skim milk is utilized for making cottage cheese,
All cream sold in bulk,
All milk or cream used for ice cream mix, and
All cream stored for ice cream.

(c) Class III Milk.

Class III milk shall include all Special, Grade A and Grade B milk used, or otherwise disposed of as follows:

All milk used for making butter and from which the skim milk is not utilized for some product in Class I and/or Class II,
All milk used for hard cheese, and
All milk used for condensed or evaporated milk.

3. Payment to producers shall be computed on a hundredweight basis.

(a) All prices of milk stated are subject to the price differential on butterfat content as hereinafter provided.

(b) Class I Milk - Special Milk, and both Grade A and Grade B (subject to quality differentials) _____ per cwt. f.o.b. distributors' platform (and transportation differentials adopted for the market).

(c) Class II - Special Milk, and both Grade A and Grade B (subject to quality differentials) _____ per cwt. f.o.b. distributors' platform (and transportation differentials adopted for the market).

(d) Class III - Special Milk, and both Grade A and Grade B (subject to transportation differentials adopted for the market).

_____ times the average price in the _____ market for the period (or month) during which the milk is sold, and _____ score butter sold at wholesale as reported by the United States Department of Agriculture, and to the resulting figure _____ percent per pound butterfat shall be added.

4. Butterfat premiums and penalties shall be based on 3.5 percent of butterfat.

A differential of _____ cents shall be paid for each 1/10 of 1 percent butterfat content below or above 3.5 percent butterfat.

5. All butterfat, in excess of the percent of butterfat in the natural milk flow of the herd, in any class, shall be paid for at Class III price.

6. All milk delivered in any period (or month) shall be paid for not later than fifteen days following the close of the period (or month).

EXHIBIT "B"

MARKETING PLAN

Article I

Production Control

1. The contracting distributors shall not purchase fluid milk which is not produced within the production area, provided, however, that the Milk Board, if it shall at any time find that the consumptive demand for Class I and Class II milk in the Sales Area exceeds the available supply of fluid milk produced within the production area, may permit such purchases for a limited period until such available supply shall equal such consumptive demand.

2. Not to exceed _____ cents per hundred weight shall be deducted from the proceeds of the sale of fluid milk purchased from the producers of the production area and sold by the distributors in the Sales Area and shall be paid to the Milk Board. Of such stated amount per hundredweight of such fluid milk, the producers shall pay not to exceed _____ cents and the distributors shall pay not to exceed _____ cents. Such deductions from producers shall be considered part payment for milk.

3. Funds collected by the Milk Board and not expended by the Board to meet the expenditures necessitated by the duties as set forth in Part IV of the Agreement shall be repaid to producers in proportion to their deliveries of fluid milk sold as Class I fluid milk and to the distributors in proportion to their sales of Class I fluid milk.

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5. For the purposes of this Agreement, the term base as used in respect to any producer, or herd of a producer, as the case may be, shall be:

(a) for that period of time dating from the execution hereof by the Secretary to and including _____:

(1) In the case of producers who are members of the

the quantity of milk recorded as such base in the files of said

(as the producers association)

(2) In the case of producers who have no base established by the _____
(Name of the producers association)
a base shall be allotted as promptly as possible by the Milk Board and

bases so allotted by the Milk Board shall be equitable as compared with the bases established by the _____
(Name of the producers association)

:

(b) For that period of time dating from _____
and thereafter during the period this Agreement, the base of each producer
shall be a volume of milk which is the same percentage of the producers'
average daily production during the period _____ as the total aver-
age daily sales of fluid milk, reduced to terms of _____ percent
milk, is of the total average daily production of all producers in the pro-
duction area.

(b) The base of any producer may at the discretion of the
Milk Board be redetermined in accordance with the provisions of section
3 or 4 of this Exhibit, provided that such redetermination shall not be
made more often than once each twelve months.

6. The contracting distributors shall not purchase milk or cream
from any new producer (the term "new producer" as used in this Agreement
shall be deemed to mean such producer who commences to sell milk within
the Sales Area after the effective date of this Agreement, and who was not
selling milk at the time of the effective date of this Agreement) unless
and until there shall have been first obtained for such new producer a
certificate of necessity from the Milk Board. Any application for certifi-
cate of necessity shall be made to the Milk Board in writing upon forms
supplied by the Milk Board. In the event that a certificate of necessity
for any producer is denied after such application to the Milk Board, there
shall be a right of immediate appeal to the Secretary in a manner to be de-
termined by the Secretary, and he may, in his discretion, issue such cer-
tificate of necessity. In the event that a certificate of necessity is
issued to a new producer, his established base shall be determined in the

same manner as set forth in section four (4) subsection (c) hereof except the Milk Board, in its discretion, shall determine the period of production and sales from which such base shall be determined, provided that in no event shall such base exceed fifty percent of such new producer's production at the time of application to the Milk Board for a certificate of necessity. The base so established shall be deemed to be the established base for such new producer thereafter.

7. Producers changing from one distributor to another may retain their same base provided notice is given to the Milk Board at least fifteen days before the change is made.

8. A producer with a base who, as a tenant, rents a farm may retain his base:

9. A tenant renting a farm may transfer his individual base from farm to farm with the herd for which such base is established.

10. A landlord who rents on shares is entitled to the entire base to the exclusion of the tenant, if the landlord owns the entire herd on such farm. If the cows are jointly owned, whether in a landlord-and-tenant relationship or otherwise, the base will be divided between the joint owners according to the ownership of the cows.

11. The separate bases of any landlord and his tenant or tenants may be established and handled as a single base. When the landlord and tenant or tenants separate, the combined bases will be divided according to the proportion of ownership of the herd.

12. A producer with a base who sells his entire herd to one purchaser at one time may transfer the base to the purchaser, provided, however, that the entire herd is maintained for six months consecutively after such sale and transfer, either on the farm on which such herd shall have been established or upon the first farm to which such herd may be moved by the said purchaser.

In such transfer at least as many cows of producing age as made the base must be transferred under the above conditions, except that not more than two cows for family use may be retained if the producing herd is greater than ten cows and only one cow may be retained if the herd consists of ten cows or less. Where the above conditions are not strictly complied with, the base will revert to the _____

(Name of the producers association)

in the case of members of the association for reallocation and to the Milk Board for reallocation in the case of non-members of the

(Name of the producers association)

13. A producer who moves his herd may retain his base only if thereafter milk is produced by him on a farm:

(a) which has supplied milk for fluid milk in the Sales Area within one year preceding, or

(b) which lies within a Production Area which has regularly been supplying milk as aforesaid.

14. Where a herd is dispersed for any reason, without the base having been transferred with the said herd, the producer must replace the herd within ninety days if such base is to be retained by the producer.

15. Any producer who shall voluntarily cease to market milk for fluid milk in the sales area for a period of more than sixty consecutive days, shall forfeit his base. In the event that he resumes production thereafter he shall be treated, for the purpose of these rules, as if he were a new producer.

16. Any producer may combine all bases to which he may be entitled under this Agreement.

17. Any producer whose average monthly shipment for any three consecutive months, is less than eighty-five percent of his base will thereby establish a new base equal to such average daily shipment.

18. All established bases dropped or not retained by producers under these rules may be reallocated by the _____

(Name of the producers association)

in the case of members thereof, and by the Milk Board in the case of non-members of the _____

(Name of the producers association)

Any producer loses all rights to his established base where the base is transferred or if said base is not retained by him under these rules.

19. Where base milk supplied to any dealer is not sufficient for that respective distributor's requirements and if no milk from holders of established bases be available to that distributor, an increase in the base apportionment shall then be made to those producers supplying milk to him at that time.

20. Excesses over base may be kept at home and such excess milk shall not be sold in the Sales Area in competition with base milk. If such excess over base is sold in the Sales Area in competition with base milk, the Milk Board shall notify the offending producer by written notice to stop or cause to be stopped such sale. In the event that such sale is not stopped within five days after the date on which such notice is mailed, the Milk Board shall, after due proof and opportunity for hearing, subject to the disapproval of the Secretary, cancel the base of the offending producer and thereupon the Milk Board shall reallocate such base, as provided in Section 18.

ARTICLE II

MARKETING PLAN

Equalization Pool

1. The distributors' equalization pool as hereinafter described shall become effective upon _____ and continue in effect during the period of this Agreement. The Milk Board shall administer such pool, provided that in the event the

(Name of the producers association)

is at the time of the effective date of this Agreement conducting a similar pool or shall be in a position to economically conduct such pool, the Milk Board shall, subject to the approval of the Secretary, designate the

_____ (Name of the producers association)

administrator of such pool. A competent accountant, hereinafter termed "auditor", shall be retained by the

(Name of the producers association)

or, in the event the said Milk Board administers the pool, by the Milk Board. Such auditor subject to the supervision of the

(Name of the producers association)

or of the Milk Board, as the case may be, shall conduct the equalization pool in accordance with the following rules and regulations and such other rules and regulations as may hereafter be issued or approved by the Secretary.

2. Each distributor shall report to the auditor, on and in accordance with forms approved by the Milk Board, and on or before the fifth (5th) day of each month, the following information with respect to the calendar month immediately preceding such date (all quantities of milk being measured in hundredweight):

- (a) The quantity of milk sold or used by such distributor as Class I milk.
- (b) The quantity of milk sold or used by such distributor as Class II milk.
- (c) The quantity of milk sold or used by such distributor as Class III milk (which shall be all milk delivered to such distributors during such period which was not sold or used by such distributor as either Class I or Class II milk).
- (d) The quantity of milk delivered to said distributor by or on behalf of producers.
- (e) The quantity of milk delivered to such distributor by or on behalf of each producer, together with the name of each such producer.
- (f) The base of each such producer.
- (g) The quantity of milk reported under (e) above as having been delivered to such distributor by each producer which was within the base of such producer.
- (h) The sum of the quantities reported under (g) above as having been delivered to such distributor by each producer within the base of such producer, which shall be considered the delivered base of such distributor for such calendar month.

3. With respect to each calendar month, the auditor shall:

- (a) Compute the quantity of milk which each distributor used in each of Classes I, II and III and shall determine the total price of such respective quantities.

(b) Compute the percentage of the quantity of milk delivered to all the distributors by producers within such producers' bases which was used by all distributors in each of such classes; and shall compute such respective percentages of each producer's delivered base, multiplying the respective results by the prices of the respective classes of milk.

(c) Compute the sum to be paid producers per hundredweight for percent milk sold as Class I and Class II milk by multiplying the percentage of Class I and Class II milk obtained as in (b) by the respective prices of such classes, adding the result and dividing by the total quantity of Class I and II milk as obtained in 3 (a).

4. The auditor shall notify each distributor;

(a) of the percentage of delivered base of each producer which is to be paid for at Class I and Class II prices;

(b) of the price of Class I and Class II milk as determined in 3 (c).

5. Each distributor shall pay each of his producers for the percentage of base milk in hundredweight as notified in 4 (a) at the price as notified in 4 (b) for percent milk, plus or minus, as the case may be, the butterfat differential. All milk not paid for at Class I Class II prices shall be paid for at the price for Class III milk.

6. If, with respect to a given distributor, the total of the results reached under (b) of paragraph 3 is less than the total of the results reached under (a) of paragraph 3, the auditor shall notify such distributor to pay into the equalization fund the difference between such totals.

7. If, with respect to a given distributor, the total of the results reached under (b) of paragraph 3 is greater than the total of the results reached under (a) of paragraph 3, the auditor shall notify the

(Name of the producers association)

or the Milk Board, whichever is in charge of the equalization pool, to pay to such distributor out of the equalization fund the difference between such totals.

8. The notices provided for under sections 4, 5 and 6 shall be given on or before the tenth day of the month immediately succeeding the calendar month to which they apply.

9. All payments by distributors to producers shall be made on or before the fifteenth day of the month immediately succeeding the calendar month to which such payments apply.

10. All payments by distributors into the equalization fund of the difference computed under paragraph 4 and all payments out of the equalization fund to distributors of the difference computed under paragraph 5, shall be made on or before the twenty-fifth day of the month immediately succeeding the calendar month to which such payments apply.

11. Distributors shall keep adequate books and records disclosing all of the facts and information required by the auditor to determine, upon an audit, purchases, sales, movements out of plants and uses of all milk in its various classifications. For such purpose, the books and records of each distributor shall be available to the auditor. Any discrepancies found in the aforesaid monthly reports of purchases and sales or usage shall be adjusted when the next period's computations are made.

12. The auditor shall notify the Milk Board or

(Name of the producers association)

whichever is handling the equalization pool, of all reports made to, of information obtained by, and of the results of all computations made by him.

ALTERNATE PLAN

Base ---- Surplus Price Plan

1. Each distributor shall report to the Milk Board:

- (a) within ten days after the effective date of this Agreement, his sales of milk classified as Class I, Class II and Class III milk for the two full calendar months immediately preceding the execution of this Agreement;
- (b) beginning with the month of _____ his sales classified as Class I, Class II and Class III milk; such report to be made on or before the fifth day of the calendar month;
- (c) the name of each producer from whom milk is purchased, the amount of base milk, and the total amount of milk in excess of such base;
- (d) the percentage of base milk to be paid for as Class I, Class II and Class III milk, such percentages to be determined by dividing the amounts as reported under subsection (b) by the total of delivered bases as reported under subsection (c).

2. Each distributor shall compute the amount to be paid producers:

- (a) by multiplying the percentage of Class I sales in hundredweight by the Class I price, plus or minus, as the case may be, the butterfat differential;
- (b) by multiplying the percentage of Class II sales in hundredweight by the Class II price, plus or minus, as the case may be, the butterfat differential;
- (c) for all base milk not sold and paid for as Class I or Class II milk, in hundredweight, times the Class III price.

3. Each distributor shall pay the producers:
 - (a) for base milk the amount per hundredweight obtained by adding the sums determined in accordance with section 2, subsections (a), (b) and (c), and dividing by the total quantity of delivered base milk in hundredweights;
 - (b) for all milk in excess of base, the amount obtained by multiplying, in hundredweight, times the Class III price.
4. The Milk Board shall:
 - (a) determine the average percentage of sales of Class I, Class II and Class III milk for the Sales Area.
 - (b) determine whether or not the individual distributors have paid the producers amounts which are above or below the average price of the Sales Area for base milk.
 - (c) notify the distributors of the results of the determinations under (a) and (b) hereof.
5. If the Milk Board shall find that any distributor is consistently paying _____ percent above or below the average of the market for base milk, the said Milk Board may, subject to the approval of the Secretary, cause such base milk to be diverted from such distributor. Such diversion of supply may be accomplished by transferring base milk between distributors and/or transferring producers from one distributor to another or otherwise and/or in such other manner as the Milk Board may, subject to the approval of the Secretary, determine.
6. The notice provided for under section 4 (c) shall be given on or before the tenth day of the month immediately succeeding the calendar month to which it applies.
7. All payments by distributors to producers shall be made on or before the fifteenth day of the month immediately succeeding the calendar month to which such payments apply.

3. Distributors shall keep adequate books and records disclosing all of the facts and information required by the Milk Board, to determine the purchases and the sales of all classes of milk. For such purpose, the books and records of each distributor shall be available to the Milk Board. Any discrepancies found in the aforesaid monthly reports of purchases and sales or usage shall be adjusted when the next period's computations are made.

EXHIBIT C

PRICE SCHEDULE FOR WHOLESALE AND RETAIL SALES

1. Sales of the following articles in the Sales Area shall be at prices hereinafter set forth. Sales of the following articles in bottles or containers shall be made only in bottles or containers of the size specified, and where a grade and/or percentage of butterfat is specified, only at the specified grade and/or percentage.
2. It shall not be deemed a violation of this Agreement to add to the selling price of any article or articles hereinafter listed in this Exhibit any specified sales or occupational taxes imposed by the laws of any State, if permitted by such laws, but any such additions shall be uniform as to all contracting distributors and/or sellers of milk at retail.
3. The contracting distributor may sell to any public unemployment relief agency, any welfare charity or government agency at less than the following prices, upon competitive bids or otherwise.
4. The prices listed in the retail price schedule shall apply as follows:
 - (a) Home delivery (column A) means retail sales by distributors, stores or markets where milk is delivered to the home of the purchaser.
 - (b) Store, (column B) means retail sales from stores or markets where purchaser removes the milk from place where bought.
5. Wholesale, delivered, (column C) prices shall apply in connection with sales as follows:
 - (a) To stores, markets, and other places where milk is re-sold in its original container for consumption other than on the premises.
 - (b) To restaurants, drug stores, confectioneries, hotels, and clubs where said articles are used and/or consumed on the premises.

6. Peddler sales f. o. b. plant (column D) means sales to small dealers not owning and operating plants for handling fluid milk who resell the milk in its original containers.

7. Where milk is sold by stores or at wholesale, in glass bottles, a deposit charge of _____ cents per bottle shall be made, returnable upon return of the bottle.

3. WHOLESALE AND RETAIL PRICE SCHEDULE

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store	Delivered	Peddler Sales f.o.b Plant
	(A)	(B)	(C)	(D)
Milk % fat	∅	∅	∅	∅
Gallons (over ____ gals.)				
Gallons (under ____ gals.)				
Quarts				
Pints				
10 oz. bottles				
Half Pints				
Milk % fat				
Gallons (over ____ gals.)				
Gallons (under ____ gals.)				
Quarts				
Pints				
10 oz. bottles				
Half pints				
Special or Guaranteed				
Milk % fat				
Gallons (over ____ gals.)				
Gallons (under ____ gals.)				
Quarts				
Pints				
10 oz. bottles				
Half Pints				
Certified Milk % fat				
Quarts				
Pints				
10 oz. bottles				
Half Pints				

WHOLESALE AND RETAIL PRICE SCHEDULE
(continued)

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store	Delivered	Peddler Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Buttermilk (Churned)	¢	¢	¢	¢
Gallons	(over _____ gals. (under _____ gals.			
Quarts				
Pints				
<u>Half Pints</u>				
Buttermilk (Cultured under 1% fat)				
Gallons	(over _____ gals. (under _____ gals.			
Quarts				
Pints				
<u>Half Pints</u>				
Buttermilk (Cultured Whole Milk)				
Gallons	(over _____ gals. (under _____ gals.			
Quarts				
Pints				
<u>Half Pints</u>				
Skim milk				
Gallons	(over _____ gals. (under _____ gals.			
<u>Quarts</u>				
Chocolate Milk <u>% fat</u>				
Quarts				
Pints				
10 oz. bottles				
<u>Half Pints</u>				

WHOLESALE AND RETAIL PRICE SCHEDULE
(continued)

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store	Delivered	Peddler Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Cream (Table or coffee) % fat	∅	∅	∅	∅
Gallons (over _____ gals.)				
Gallons (under _____ gals.)				
Quarts				
Pints				
Half Pints				
Gills				
Cream (Medium Fat) <u> </u> % fat				
Gallons (over _____ gals.)				
Gallons (under _____ gals.)				
Quarts				
Pints				
Half Pints				
Gills				
Cream (Heavy) <u> </u> % fat				
Gallons (over _____ gals.)				
Gallons (under _____ gals.)				
Quarts				
Pints				
Half Pints				
Gills				
Cream (Sour) <u> </u> % fat				
Gallons (over _____ gals.)				
Gallons (under _____ gals.)				
Quarts				
Pints				
Half Pints				
Gills				

WHOLESALE AND RETAIL PRICE SCHEDULE
(continued)

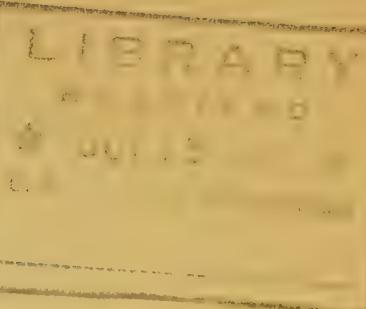
	R E T A I L		W H O L E S A L E	
	Home Delivery	Store	Delivery	Peddler Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Cottage Cheese (dry)	∅	∅	∅	∅
Bulk (per pound)				
1-lb. Packages				
12 oz. "				
10 oz. "				
Cottage Cheese (Creamed)				
Bulk (per pound)				
1-lb. packages				
12 oz. "				
10 oz. "				
Other Dairy Products				

EXHIBIT "D"

RULES OF FAIR PRACTICE

The following practices are considered unfair and shall not be engaged in by the contracting distributors or by their officers, employees, or agents:

- (1) Any method or device whereby fluid milk is sold or offered for sale at a price less than that stated in the Agreement, whether by discount, rebate, free service, merchandise, credit for bulk fluid milk returned, loans or credit outside the usual course of business or other valuable consideration or combined price for such milk together with another commodity sold or offered for sale whether separately or otherwise, or whereby a subsidy is given for either business or information or assistance in procuring business.



PRELIMINARY FORM FOR
NATIONAL MARKETING AGREEMENT FOR MILK

The parties to this Agreement are the contracting distributors and the contracting producers and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended;

- (1) to establish and maintain such balance between the production and consumption of agricultural commodities and such marketing condition therefor, as will reestablish prices to farmers at a level which will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period; the base period in the case of all agricultural commodities except tobacco being the pre-war period, August 1909-July 1914.
- (2) to approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and
- (3) to protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period, August 1909-July 1914; and

WHEREAS, it is understood that to effectuate such declared policy, the contracting producers shall receive a fair proportion of the financial benefits resulting to the contracting distributors from this Agreement and acts done pursuant thereto until parity is achieved for the contracting producers, and that subject to the foregoing, at all times, efforts will be made by the contracting distributors to yield to the consumers a fair proportion of such financial benefits and savings; and

WHEREAS, pursuant to the Agricultural Adjustment Act, the parties here-to for the purpose of correcting the conditions now obtaining in the production of milk in the _____ production area, in the sale of fluid milk in the _____ sales area and the distribution thereof, and to effectuate the declared policy of said Act, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the Act; and

WHEREAS, the marketing of milk in the _____ production area for distribution as fluid milk in the _____ sales area and the distribution of said fluid milk are in both the current of interstate commerce and the current of intrastate commerce, which are inextricably intermingled:

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I

As used in this Agreement, the following words and phrases shall be defined as follows:

(Here insert description by political, other subdivisions or by meets and bounds).

10. "Production Area" means the territory within the following boundaries:

(Here insert description by political, other subdivisions or by meets and bounds).

11. "Subsidiary" or "affiliate" means any corporation or other business unit, which the contracting producer and/or contracting distributor shall have, either directly or indirectly, any relationship with or interest in by way of stock ownership or in any other manner.

12. "Books and Records" means books, records, accounts, memoranda, documents, papers and correspondence.

13. "Milk Board" means the Milk Industry Board as provided in Article II hereof.

14. "District Committee" means the District Milk Industry Committee.

15. "Regional Board" means the Regional Milk Industry Board.

16. "National Board" means the National Milk Industry Board.

(Insert definitions with respect to other important terms and names of persons used in this Agreement)

ARTICLE II

1. "Members" as used in Article II means the members of the Milk Industry Board.

2. The contracting producers and contracting distributors shall cause to be organized within 10 days after the execution of this Agreement by the Secretary a committee of five to be known as the Milk Industry Board. Two members of the Board shall be elected by the contracting producers; two by the contracting distributors; and the fifth member, to represent the consumers, shall be elected by the other four. Such fifth member shall be a resident of the sales area and shall have no connection financially or otherwise with the distribution of milk or products derived therefrom. The fifth member shall be designated by the Secretary in the event such member is not elected by the four members as above provided.

3. Members representing the contracting producers and contracting distributors, respectively, shall be elected by the respective parties in a manner to be determined by themselves, provided that a vote of not less than 70% of the total volume of milk produced within the production area and 70 per cent of the milk sold as fluid milk within the sales area, respectively, shall be necessary for such election. Upon election the names of all the members shall be certified by the contracting producers and contracting distributors, respectively, to the Secretary for his approval. Such certification shall include a statement of the manner and vote by which the respective members were elected

and the percentage of the total production or sales of fluid milk within the area represented by such vote. Members whose names have been certified to the Secretary and approved by him shall enter upon the discharge of their duties. If the Secretary shall not approve a member, there shall be a vacancy on the Milk Board. Any member may be removed, with or without cause, by vote equal to at least three-fourths of the volume by which he was originally elected. Any vacancies on the Milk Board shall be filled in the same manner and by the same parties as provided for the original election.

4. The Milk Board shall be organized by the members by the selection of a chairman, vice-chairman, who shall be members, and a secretary-treasurer who may or may not be a member. The Milk Board shall employ such agents, assistants and clerks as may be necessary to perform its duties. All officers and employees of the Milk Board who handle funds of the Milk Board or who sign or countersign checks upon such funds shall severally give bonds in such amounts and with such sureties as shall be determined by the Milk Board. The cost of such bonds shall be paid by the Milk Board.

5. The members shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

6. The Milk Board shall be financed as provided in Exhibit "B", which is attached hereto and made a part hereof.

7. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Milk Board;

(a) to receive and investigate complaints of violations of the terms or conditions of this Agreement and of any license issued in respect of this Agreement and to issue warnings with respect thereto;

(b) to adjust disputes arising under this Agreement between contracting producers and/or contracting distributors;

(c) to report its findings, with recommendations, to the Secretary for proceedings under the Act or otherwise which he may deem advisable;

(d) to cooperate in the establishment of, to establish, and to record bases for all producers, and to cancel bases of particular producers, in accordance with the provisions of Exhibit "B";

(e) to receive and act upon, in accordance with the provisions of Exhibit "B", the applications of new producers as determined in Exhibit "B";

(f) to receive and collect from distributors reports of sales of the various classes of milk and any other information required by the Milk Board in the performance of its duties;

(g) to review in accordance with the provisions of Exhibit "B" the operations of any sales pool, equalization fund, and marketing plan provided for in this Agreement;

(h) to account for all funds collected pursuant to this Agreement.

ARTICLE III

1. For the purpose of securing maximum advantages to the contracting parties and to consumers under the terms of this Agreement and similar agreements, the Secretary hereby designates the sales area to be in Region No. _____, District No. _____, as indicated in Exhibit "E", which is attached hereto and made a part hereof.

2. A District Milk Industry Committee shall be established for District No. _____, Region No. _____ to consist of one representative of the contracting producers of the production area and one representative of the contracting distributors of the sales area, and if and when designated, other production areas and sales areas in District No. _____, Region No. _____. Such representatives shall be designated by the Milk Boards. The chairman of the first Milk Board organized in District No. _____, Region No. _____ shall call by written notice the first meeting of the representatives composing the District Committee. The District Committee shall be organized at such first meeting by election from among their number, of a chairman, vice-chairman, and secretary, who shall perform the duties usually devolving upon such officers. The Secretary shall be an ex-officio member of the District Committees and as such shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the District Committee.

3. A Regional Milk Industry Board shall be established for Region No. _____ to consist of one representative of the contracting producers, and one representative of the contracting distributors of District No. _____, and if and when designated other districts in Region No. _____. The representatives of each District shall be designated by the District Committee of each District. The Secretary shall call by written notice to the District Committees of Region No. _____ the first meeting of the representatives composing the Regional Board. The Regional Board shall be organized at such first meeting by election from among their number, of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary shall be an ex-officio member of the Regional Board and as such shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the Regional Board.

4. A National Milk Industry Board shall be established for the United States, to consist of one representative of the contracting producers and one representative of the contracting distributors of Region No. _____ and all other regions as designated in Exhibit "E", attached hereto. The representatives of each Region shall be designated by the Regional Boards of each Region. The Secretary shall call, by written notice to the secretaries of the Regional Boards, the first meeting of the representatives composing the National Board. The National Board shall be organized at such first meeting by election from among their number of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary shall be an ex-officio member of the National Board and as such shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the National Board.

5. All voting members of the District Committees, Regional Boards and the National Board shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

(a) Expenses of members of District Committees shall be paid by the Milk Boards which such members represent.

(b) Expenses of members of Regional Boards and necessary operating expenses of Regional Boards shall be paid by the Milk Boards of the Region in the manner as hereinafter described.

(c) Expenses of members of the National Board shall be paid by the Regional Boards which such members represent.

6. A budget for a stated period shall be established by the Regional Board to cover its estimated expenses. Such budget shall be submitted to the Milk Boards of Region No. _____ together with a statement of the amount in cents or fractions thereof per hundred-weight of fluid milk sold within the region necessary to cover such budget. Each such Milk Board shall note the period of the budget, amount per hundredweight, and make payment to the treasurer of the said Regional Board in accordance with the volume of fluid milk sales in its sales area. Payment of the sums determined in accordance with the provisions hereof may be paid in total or divided into as many installments as there are months covered by the period of the budget. The first installment of such payment shall be paid upon the twentieth of the month, following the receipt of the budget. Thereafter if payments are made in installments, such payments shall be paid on or before the twentieth of each month.

7. The Regional Boards shall maintain a system of accounting and records which shall accurately reflect their true accounts and financial conditions. The Regional Boards' books and records shall be available during the usual business hours for inspection by authorized representatives of the Milk Boards within the Region.

8. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the District Committee:

(a) to act as an advisory and coordinating committee within the industry;

(b) to make recommendations to the Regional Board relative to matters affecting the industry;

(c) to receive and investigate complaints arising from differences between the various sales areas and production areas operating within the district under agreements similar hereto;

(d) to report its findings, with recommendations to the Secretary for proceedings under the Act or otherwise which he may deem advisable.

9. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Regional Board:

(a) to act as an advisory and coordinating board within the industry;

(b) to make recommendations to the National Board relating to matters affecting the industry;

(c) to receive and investigate complaints arising from differences between the Districts;

(d) to make recommendations to the Secretary on matters affecting the industry within its Region.

10. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the National Board:

(a) to act as an advisory board for the industry;

(b) to make recommendations to the Secretary relating to matters affecting the industry;

(c) to receive and investigate complaints arising from differences between the Regions;

(d) to report its findings, with recommendations, to the Secretary for any proceedings under the Act or otherwise which he may deem advisable;

ARTICLE IV

1. The schedule governing the prices at which, and the terms and conditions under which, milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk, shall be that set forth in Exhibit "A", which is attached hereto and made a part hereof. The provisions of such schedule may be changed from time to time by agreement between _____% of the contracting producers, measured by total volume of milk produced within the production area, on the one hand, and _____% of the contracting distributors measured by total volume of milk sold as fluid milk within the sales area, on the other hand, provided, however, that such changes shall become effective only upon the written approval of the Secretary. Payments to the Milk Board made pursuant to section six (6) of Article II and section two (2) of Exhibit "B", which is attached hereto and made a part of this Agreement, and like payments to (name of the producers association) made pursuant to membership agreements, shall, respectively, be deemed part of the price paid to producers.

2. The plan governing the marketing of milk within the production area and the sales area shall be that set forth in Exhibit "B", which is attached hereto and made a part of this Agreement. Such plan may be modified by agreement between _____% of the contracting producers, measured by total volume of milk produced within the production area, on the one hand, and _____% of the contracting distributors, measured by total volume of milk sold as fluid milk within the sales area, on the other hand.

3. The schedule governing the prices at which and the terms and conditions under which fluid milk shall be distributed and sold by the contracting distributors in the _____ sales area, shall be that set forth in

Exhibit "C", which is attached hereto and made a part of this Agreement. Such schedule may be changed from time to time by agreement between _____ of the contracting producers, measured by total volume of milk produced within the production area, on the one hand, and _____ % of the contracting distributors measured by total volume of milk sold as fluid milk within the sales area, on the other hand.

4. The contracting distributors agree that they will not purchase milk from any producer not a member of the (name of the producers association) unless such producer authorizes the purchasing contracting distributor to pay over to the Milk Board the same amount per hundred pounds of milk purchased which the members of the (name of the producers association) are then authorizing the contracting distributors to pay over to the (name of the producers association) on behalf of its members, and such purchasing contracting distributors shall simultaneously with making payment to the producer for milk purchased, make payment as aforesaid to the said Milk Board. The sum so paid shall be kept as a separate fund by the Milk Board and expended by said Milk Board in securing for non-members of the (name of the producers association) services and benefits generally similar to those which are secured by the members of the (name of the producers association) by virtue of their like payments to (name of the producers association). Such Milk Board shall keep separate books and records in form satisfactory to the Secretary pertaining to such funds, which said books and records of the Milk Board shall be subject to the examination of the Secretary during the usual hours of business, and that the Milk Board shall from time to time furnish the Secretary such information as the Secretary may require.

5. All contracting producers, not members of (name of the producers association) shall be permitted to become members of the (name of the producers association) on an equal basis with existing members similarly circumstanced.

6. The contracting producers and the contracting distributors shall severally maintain systems of accounting which shall accurately reflect the true accounts and conditions of their respective businesses, which shall include any subsidiary or affiliate. Their respective books and records (including the books and records of such subsidiaries and affiliates) shall, during the usual hours of business, be subject to the examination of the Secretary to assist him in the furtherance of his duties with respect to this Agreement, including verification by the Secretary of the information furnished on forms hereinafter referred to. The contracting producers and the contracting distributors shall severally, from time to time, furnish information to the Secretary on and in accordance with forms to be supplied by him, each of which reports shall be verified under oath. The Secretary, in his discretion, may permit the omission of any such subsidiary or affiliate from any such reports. In the event that the (name of the producers association) and/or the Milk Board and the Secretary shall have occasion to collect identical information from the same parties, the (name of the producers association) or the Milk Board, as the case may be, shall use forms acceptable to the Secretary and arrangements shall be made for triplicate reports to be submitted to the Secretary and the (name of the producers association) and the Milk Board. All information

(unless it would have been otherwise legally obtainable by the Secretary) obtained by or furnished to the Secretary, pursuant to this paragraph, if designated in writing as such when so obtained or furnished, shall remain the confidential information of the Secretary, and shall not be disclosed by him except upon lawful demand by the President, by either House of The Congress, or any committee thereof, or by any court, or when offered in evidence in any hearing authorized by the Act, or otherwise in the suspension or revocation as to one or more persons of any license issued by the Secretary, whether or not such information was obtained from or furnished by the person or persons with respect to whose license the hearing was held. The Secretary, however, may combine and publish the information obtained from or furnished by the contracting parties in the form of general statistical studies or data. The Secretary hereby agrees to issue regulations and prescribe penalties to be imposed in the event of any violation of the confidence or trust imposed hereby.

7. The standards governing the production, receiving, transportation, processing, bottling, and distribution of fluid milk, shall be those from time to time established by or in accordance with the health laws, ordinances and regulations of the federal, state, municipal, and other political subdivision within which such milk is marketed and distributed.

8. The schedule of fair practices set forth in Exhibit "D", which is attached hereto and made a part of this Agreement, shall be the uniform schedule of fair practices for the sales area. The provisions of such schedule may be changed from time to time by agreement between _____ % of the contracting producers, measured by total volume of milk produced within the production area, on the one hand, and _____ % of the contracting distributors measured by total volume of milk sold as fluid milk within the sales area, on the other hand. (Subject to approval of the Secretary.)

9. The contracting distributors hereby apply for and consent to licensing by the Secretary, subject to Milk Regulations, Series 1, and the General Regulations, Series 3, together with amendments thereto, Agricultural Adjustment Administration, prescribed by the Secretary and approved by the President, and not otherwise.

10. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and this Agreement shall continue in force until terminated in one of the following ways:

(a) The Secretary may at any time terminate this Agreement by giving notice by means of a press release or in any other manner which the Secretary may determine.

(b) The Secretary may, for good cause shown, at any time terminate this Agreement as to any party signatory hereto, by giving notice in writing by registered mail and addressed to such party at the address of such party on file with the Secretary.

(c) The Secretary shall terminate this Agreement upon the request of _____ percent of the contracting producers, measured by total volume of milk produced within the production area, on the one hand, and _____ percent of the contracting distributors measured by total volume of milk sold as fluid milk within the sales area, on the other hand, by giving notice in the same manner as provided in subdivision (a) above.

(d) This Agreement shall in any event terminate whenever the provisions of the Act authorizing it shall cease to be in effect.

11. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges and immunities conferred by this Agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done prior thereto.

12. This Agreement may be executed in multiple counterparts, which, when signed by the Secretary, shall constitute, when taken together, one and the same instrument as if all such signatures were contained in one original.

13. After this Agreement first takes effect any producer of fluid milk or any distributor of fluid milk, may become a party to this Agreement, if a counterpart thereof is executed by him and by the Secretary. This Agreement shall take effect as to such new contracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges and immunities conferred by this Agreement, shall then be effective as to such new contracting party.

14. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement and/or the applicability thereof to any other person, circumstance or thing shall not be effected thereby.

15. Nothing contained in this Agreement shall be construed in derogation of the rights of the Secretary to exercise any powers granted him by the Act or otherwise and, in accordance with such powers, to act in the premises whenever he shall deem it advisable.

16. The Secretary may name any person to act as his agent in connection with any of the provisions contained in this Agreement to be performed by the Secretary.

IN WITNESS WHEREOF the contracting producers and the contracting distributors, acting under the provisions of the Agricultural Adjustment Act for the purposes and subject to the limitations therein contained and not otherwise, have hereunto set their respective hands and seals.

WHEREAS, it is provided by Section 8 of the Act as follows:
"In order to effectuate the declared policy, the Secretary of Agriculture
shall have power:

"(2) To enter into marketing agreements with processors, associations
of producers, and others engaged in the handling, in the current of interstate
or foreign commerce of any agricultural commodity or product thereof, after
due notice and opportunity for hearing to interested parties. The making of
any such agreement shall not be held to be in violation of any of the anti-
trust laws of the United States, and any such agreement shall be deemed to be
lawful: Provided, that no such agreement shall remain in force after the ter-
mination of this Act;" and

WHEREAS, due notice and opportunity for hearing to interested parties
has been given pursuant to the provisions of the Act, and the regulations is-
sued thereunder; and

WHEREAS, it appears, after due consideration that this is a marketing
agreement between the Secretary and persons engaged in the handling of milk
and its products within the meaning of said section in the current of inter-
state and foreign commerce; and

WHEREAS, it appears, after due consideration, that the aforesaid market-
ing agreement will tend to effectuate the policy of Congress set forth in Sec-
tion 2 of the Act in that such marketing agreement will -

(a) establish and maintain such balance between the pro-
duction of milk in the production area and the consumption of such
milk and its products in the sales area and such marketing con-
ditions therefor, as will reestablish prices to farmers at a
level that will give such milk a purchasing power with respect
to articles that farmers buy, equivalent to the purchasing power
of milk in the base period as defined in Section 2 of the Act:

(b) Approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and

(c) protect the consumer's interest by readjusting farm production at such level as will not increase the percentage of the consumer's retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer above the percentage which was returned to the farmer in the pre-war period, August 1909 - July 1914.

NOW THEREFORE, I, Henry A. Wallace, Secretary of Agriculture acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations therein contained, and not otherwise, do hereby execute this Agreement under my hand and official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this _____ day of _____ 193_____, and, pursuant to the provisions hereof, declare this Agreement to be effective on and after Eastern Standard Time, _____ 193_____. •

Secretary of Agriculture.

CLASSIFICATION OF MILK AND PRODUCER PRICES.

1. Prices paid to producers shall be determined with reference to the rules for control of basic production and method of payment as set forth in Exhibit "B", attached hereto.

2. Classes of Milk.

All milk purchased under this Agreement shall be divided into the following classes:

(a) Class I Milk.

Class I milk shall include all Special, Grade A and Grade B milk used or otherwise disposed of as follows:

All milk sold in bulk and in bottles,
All Bulgarian buttermilk sold in bottles,
All cream buttermilk sold in bottles,
All coffee cream sold in bottles,
All whipping cream sold in bottles,
All special cream sold in bottles,
All chocolate milk;

and shall include the difference between all milk delivered to any distributor and the total reported sales of such distributor in the several classes herein.

(b) Class II Milk.

Class II milk shall include all Special, Grade A and Grade B milk used, or otherwise disposed of as follows:

All plain buttermilk,
All milk, which is not already in Class I, from which the skim milk is utilized for making cottage cheese,
All cream sold in bulk,
All milk or cream used for ice cream mix, and
All cream stored for ice cream.

(c) Class III Milk.

Class III milk shall include all Special, Grade A and Grade B milk used, or otherwise disposed of as follows:

All milk used for making butter and from which the skim milk is not utilized for some product in Class I and/or Class II,
All milk used for hard cheese, and
All milk used for condensed or evaporated milk.

3. Payment to producers shall be computed on a hundredweight basis.

(a) All prices of milk stated are subject to the price differential on butterfat content as hereinafter provided.

(b) Class I Milk - Special Milk, and both Grade A and Grade B (subject to quality differentials) _____ per cwt. f.o.b. distributors' platform (and transportation differentials adopted for the market).

(c) Class II - Special Milk, and both Grade A and Grade B (subject to quality differentials) _____ per cwt. f.o.b. distributors' platform (and transportation differentials adopted for the market).

(d) Class III - Special Milk, and both Grade A and Grade B (subject to transportation differentials adopted for the market).

times the average price in the market for the (period or month) during which the milk is sold, and score butter sold at wholesale as reported by the United States Department of Agriculture, and to the resulting figure _____ percent per pound butterfat shall be added.

4. Butterfat premiums and penalties shall be based on 3.5 percent of butterfat.

A differential of _____ cents shall be paid for each 1/10 of 1 percent butterfat content below or above 3.5 percent butterfat.

5. All butterfat, in excess of the percent of butterfat in the natural milk flow of the herd, in any class, shall be paid for at Class III price.

6. All milk delivered in any period (or month) shall be paid for not later than fifteen days following the close of the period (or month).

EXHIBIT "B"

MARKETING PLAN

Part I

Production Control

1. The contracting distributors shall not purchase fluid milk which is not produced within the production area, provided, however, that the Milk Board, if it shall at any time find that the consumptive demand of the sale area for fluid milk exceeds the available supply of fluid milk produced within the production area, may permit such purchases for a limited period until such available supply equal such consumptive demand.

2. Not to exceed _____ cents per hundredweight shall be deducted from the proceeds of the sale of fluid milk purchased from the producers of the production area and sold by the distributors in the sales area and shall be paid to the Milk Board. Of such stated amount per hundredweight of such fluid milk, the producers shall pay not to exceed _____ cents and the distributors shall pay not to exceed _____ cents. Such deductions from producers shall be considered part payment for milk. Accruals in the funds of the Milk

Board shall be repaid to producers in proportion to their deliveries of fluid milk sold as Class I fluid milk and to the distributors in proportion to their sales of Class I fluid milk.

3. Producers who distribute only milk produced by themselves and who sell no part thereof to distributors, except at Class III prices as set forth in Exhibit "A", shall be known as producer-distributors. The producer-distributors signatory to this Agreement will accept and abide by a base which shall be the amount of fluid milk reduced to terms of _____ percent milk expressed in hundredweight which equals the average daily sales of fluid milk by the producer-distributor for the period _____ to _____. Such base shall be determined by the Milk Board. For such purpose, the books and records of the producer-distributor shall be available to the Milk Board. The producer-distributor shall for all purposes of this Agreement be considered as having two separate and distinct identities, first as a producer and second as a distributor. The producer-distributor shall be subject to all provisions of this Agreement, except to the extent that such provisions are inconsistent with this section, in which event, the provisions of this section shall govern.

4. For the purposes of this Agreement, the term base as used in respect to any producer, or herd of a producer, as the case may be, shall be

(a) For that period of time dating from the execution hereof by the Secretary to and including _____:

(1) In the case of producers who are members of the (name of the producers association), the quantity of milk recorded as such base in the files of said (name of the producers association);

(2) In the case of producers who have no base established by the (name of the producers association), a base shall be allotted as promptly as possible by the Milk Board and bases so allotted by the Milk Board shall be equitable as compared with the bases established by the (name of the producers association);

(b) For that period of time dating from _____ and thereafter during the period of this Agreement, the base of each producer shall be a volume of milk which is the same percentage of the producers' average daily production during the period _____ as the total average daily sales of fluid milk, reduced to terms of _____ percent milk, is of the total average daily production of all producers in the production area.

(c) The base of any producer may at the discretion of the Milk Board be redetermined in accordance with the provisions of sections 3 or 4 of this Exhibit, provided that such redetermination shall not be made more often than once each twelve months.

5. The contracting distributors shall not purchase milk or cream from any new producer (the term "new producer" as used in this Agreement shall be deemed to mean such producer who commences to sell milk within the sales area after the effective date of this Agreement) unless and until there shall have been first obtained for such new producer a certificate of necessity from the Milk Board. Any application for certificate of necessity shall be made to the Milk Board in writing upon forms supplied by the Milk Board. In the event that a certificate of necessity for any producer is denied after such application to

the Milk Board, there shall be a right of immediate appeal to the Secretary in a manner to be determined by the Secretary. In the event that a certificate of necessity is issued to a new producer, his established base shall be determined in the same manner as set forth in section four (4) subsection (c) hereof except the Milk Board, in its discretion, shall determine the period of production and sales from which such base shall be determined, provided that in no event shall such base exceed 30 percent of such new producer's production at the time of application to the Milk Board for a certificate of necessity. The base so established shall be deemed to be the established base for such new producer thereafter.

6. Producers changing from one distributor to another, may retain their same base, provided notice is given to the Milk Board at least fifteen days before the change is made.

7. A producer with a base who, as a tenant, rents a farm may retain his base.

8. A tenant renting a farm may transfer his individual base from farm to farm with the established herd.

9. A landlord who rents on shares is entitled to the entire base to the exclusion of the tenant, if the landlord owns the entire herd on such farm. If the cows are jointly owned, whether in a landlord-and-tenant relationship or otherwise, the base will be divided between the joint owners according to the ownership of the cows.

10. The separate bases of any landlord and his tenant or tenants may be established and handled as a single base. When the landlord and tenant or tenants separate, the combined bases will be divided according to the proportion of ownership of the herd.

11. A producer with a base who sells his entire herd to one purchaser at one time may transfer the base to the purchaser, provided, however, that the entire herd is maintained for six months consecutively after such sale and transfer, either on the farm on which such herd shall have been established or upon the first farm to which such herd may be moved by the said purchaser. In such transfer at least as many cows of producing age as made the base must be transferred under the above conditions, except that not more than two cows for family use may be retained if the producing herd is greater than ten cows and only one cow may be retained if the herd consists of ten cows or less. Where the above conditions are not strictly complied with, the base will revert to the (name of the producers association) in the case of members of the association and to the Milk Board for reallocation in the case of non-members of the (name of the producers association).

12. A producer who moves his herd may retain his base only if thereafter milk is produced by him on a farm;

(a) which has supplied milk for fluid milk in the sales area within one year preceding, or

(b) which lies within a territory which has regularly/supplying milk as aforesaid.

13. Where a herd is dispersed for any reason, without the base having been transferred with the said herd, the producer must replace the herd within ninety days if such base is to be retained by the producer.

14. Any producer who shall voluntarily cease to market milk for fluid milk in the sales area for a period of more than sixty consecutive days, shall forfeit his base. In the event that he resumes production thereafter he shall be treated, for the purpose of these rules, as if he were a new producer.

15. Any producer may combine all bases to which he may be entitled under this Agreement.

16. Any producer whose average monthly shipment for any three consecutive months, is less than eighty-five percent of his base will thereby establish a new base equal to such average daily shipment.

17. All established bases dropped or not retained by producers under these rules may be reallocated by the (name of the producers association) in the case of members thereof, and by the Milk Board in the case of non-members of the (name of the producers association). Any producer loses all rights to his established base where the base is transferred or if said base is not retained by him under these rules.

18. Where base milk supplied to any dealer is not sufficient for that respective dealer's requirements and if no milk from holders of established bases be available, an increase in the base apportionment shall then be made to those producers supplying milk to him at that time.

19. Excesses over base may be kept at home and such excess milk shall not be sold in the sales area in competition with base milk. If such excess over base is sold in the sales area in competition with base milk, the Milk Board shall notify the offending producer by written notice to stop or cause to be stopped such sale. In the event that such sale is not stopped within five days after the date on which such notice is mailed, the Milk Board shall after due proof and opportunity for hearing, cancel the base of the offending producer and thereupon the Milk Board shall reallocate such base among the then remaining producers.

ALTERNATE PLAN

Base -- Surplus Price Plan

1. Each distributor shall report to the Milk Board:

(a) within ten days after the effective date of this Agreement, his sales of milk classified as Class I, Class II, and Class III milk for the first full calendar month preceding the execution of this Agreement;

(b) beginning with the month of _____ his sales classified as Class I, Class II, and Class III milk; such report to be made on or before the fifth day of the calendar month;

(c) the name of each producer from whom milk is purchased, the amount

of base milk, and the total amount of milk in excess of such base;

(d) the percentage of base milk to be paid for as Class I, Class II, and Class III milk, such percentages to be determined by dividing the amounts as reported under sub-section (b) by the total of delivered bases as reported under sub-section (c).

2. Each distributor shall compute the amount to be paid producers:

(a) by multiplying the percentage of Class I sales in hundredweight by the Class I price, plus or minus, as the case may be, the butterfat differential;

(b) by multiplying the percentage of Class II sales in hundredweight by the Class II price, plus or minus, as the case may be, the butterfat differential;

(c) for all base milk not sold and paid for as Class I or Class II milk, in hundredweight, times the Class III price.

3. Each distributor shall pay the producers:

(a) for base milk the amount per hundredweight obtained by adding the sums determined in accordance with section 2, sub-sections (a), (b), and (c), and dividing by the total quantity of delivered base milk in hundredweights;

(b) for all milk in excess of base, the amount obtained by multiplying, in hundredweight, times the Class III price.

4. The Milk Board shall:

(a) determine the average percentage of sales of Class I, Class II, and Class III milk for the sales area.

(b) determine whether or not the individual distributors have paid the producers amounts which are above or below the average price of the sales area for base milk.

(c) notify the distributors of the results of the determinations under (a) and (b) hereof.

5. If the Milk Board shall find that any distributor is consistently paying percent above or below the average of the market for base milk, the said Milk Board shall cause base milk to be diverted from such distributor. Such diversion of supply may be accomplished by transferal of base milk between distributors and/or transferal of producers from one distributor to another or otherwise and/or in such other manner as the Milk Board may determine.

6. The notices provided for under section 4 (c) shall be given on or before the tenth day of the month immediately succeeding the calendar month to which they apply.

7. All payments by distributors to producers shall be made on or before the fifteenth day of the month immediately succeeding the calendar month to which such payments apply.

8. Distributors shall keep adequate books and records disclosing all of the facts and information required by the auditor to determine, upon an audit, purchases, sales, movements out of plants and uses of all milk in its various classifications. For such purpose, the books and records of each distributor shall be available to the auditor. Any discrepancies found in the aforesaid monthly reports of purchases and sales or usage shall be adjusted when the next period's computations are made.

PART II

MARKETING PLAN

Equalization Pool.

1. The distributors' equalization pool as hereinafter described shall become effective upon _____ and continue in effect during the period of this Agreement. The Milk Board shall cooperate in the administration of such pool and shall, in the event that the pool is not administered by (name of the producers association), administer such pool. A competent accountant, hereinafter termed "auditor", shall be retained by the (name of the producers association) or, in the event the said Milk Board administers the pool, by the Milk Board. Such auditor subject to the supervision of the (name of the producers association) or of the Milk Board, as the case may be, shall conduct the equalization pool in accordance with the following rules and regulations and such other rules and regulations as may hereafter be issued or approved by the Secretary.

2. Each distributor shall report to the auditor, on and in accordance with forms approved by the Milk Board, and on or before the fifth (5th) day of each month, the following information with respect to the calendar month immediately preceding such date (all quantities of milk being measured in hundredweight):

- (a) The quantity of milk sold or used by such distributor as Class I milk.
- (b) The quantity of milk sold or used by such distributor as Class II milk.
- (c) The quantity of milk sold or used by such distributor as Class III milk (which shall be all milk delivered to such distributor during such period which was not sold or used by such distributor as either Class I or Class II milk).
- (d) The quantity of milk delivered to said distributor by or on behalf of producers.

- (e) The quantity of milk delivered to such distributor by or on behalf of each producer, together with the name of each such producer.
- (f) The base of each such producer.
- (g) The quantity of milk reported under (e) above as having been delivered to such distributor by each producer which was within the base of such producer.
- (h) The sum of the quantities reported under (g) above as having been delivered to such distributor by each producer within the base of such producer, which shall be considered the delivered base of such distributor for such calendar month.

3. With respect to each calendar month, the auditor shall:

- (a) Compute the quantity of milk which each distributor used in each of Classes I, II and III and shall determine the total price of such respective quantities.
- (b) Compute the percentage of the quantity of milk delivered to all the distributors by producers within such producers' bases which was used by all distributors in each of such classes; and shall compute such respective percentages of each producer's delivered base, multiplying the respective results by the prices of the respective classes of milk.
- (c) Compute the sum to be paid producers per hundredweight for _____ percent milk sold as Class I and Class II milk by multiplying the percentage of Class I and Class II milk obtained as in (b) by the respective prices of such classes, adding the result and dividing by the total quantity of Class I and II milk as obtained in 3 (a).

4. The auditor shall notify each distributor;

- (a) of the percentage of delivered base of each producer which is to be paid for at Class I and Class II prices;
- (b) of the price of Class I and Class II milk as determined in 3 (c).

5. Each distributor shall pay each of his producers for the percentage of

base milk in hundredweight as notified in 4 (a) at the price as notified in 4 (b) for _____ percent milk, plus or minus, as the case may be, the butter fat differential. All milk not paid for at Class I and Class II prices shall be paid for at the price for Class III milk.

6. If, with respect to a given distributor, the total of the results reached under (b) of paragraph 3 is less than the total of the results reached under (a) of paragraph 3, the auditor shall notify such distributor to pay into the equalization fund the difference between such totals.

7. If, with respect to a given distributor, the total of the results reached under (b) of paragraph 3 is greater than the total of the results reached under (a) of paragraph 3, the auditor shall notify the (name of the producers association) or the Milk Board, whichever is in charge of the equalization pool, to pay to such distributor out of the equalization fund the difference between such totals.

8. The notices provided for under sections 4, 5 and 6 shall be given on or before the tenth day of the month immediately succeeding the calendar month to which they apply.

9. All payments by distributors to producers shall be made on or before the fifteenth day of the month immediately succeeding the calendar month to which such payments apply.

10. All payments by distributors into the equalization fund of the difference computed under paragraph 4, and all payments out of the equalization fund to distributors of the difference computed under paragraph 5, shall be made on or before the twenty-fifth day of the month immediately succeeding the calendar month to which such payments apply.

11. Distributors shall keep adequate books and records disclosing all of the facts and information required by the auditor to determine, upon an audit, purchases, sales, movements out of plants and uses of all milk in its various classifications. For such purpose, the books and records of each distributor shall be available to the auditor. Any discrepancies found in the aforesaid monthly reports of purchases and sales or usage shall be adjusted when the next period's computations are made.

12. The auditor shall notify the Milk Board or (name of the producers association), whichever is handling the equalization pool, of all reports made to, of information obtained by, and of the results of all computations made by him.

PRICE SCHEDULE FOR CONTRACTING DISTRIBUTORS SALES

1. Sales of the following articles in the Sales Area shall be at prices hereinafter set forth. Sales of the following articles in bottles or containers shall be made only in bottles or containers of the size specified, and where a grade and/or percentage of butterfat is specified, only at the specified grade and/or percentage.
2. It shall not be deemed a violation of this Agreement to add to the selling price of any article or articles hereinafter listed in this Exhibit any specified sales or occupational taxes imposed by the laws of any State, if permitted by such laws, but any such additions shall be uniform as to all contracting distributors.
3. The contracting distributor may sell to any public unemployment relief agency or to any welfare charity at less than the following prices.
4. The prices listed in the retail price schedule shall apply as follows:
 - (a) Home delivery (column A) means sales by distributors, stores or markets where milk is delivered to the home of the purchaser.
 - (b) Store, cash and carry, (column B) means sales from stores or markets as defined in paragraph 5 below where purchaser removes the milk from place where bought.
5. Wholesale, delivered, (column C) prices shall apply in connection with sales of the following articles:
 - (a) To stores, markets, and other places where milk is resold in its original container for consumption other than on the premises and where such places have a license to handle milk, if any such license is required by the municipality, county, and/or state in which said articles are sold.
 - (b) To restaurants, drug stores, confectioneries, hotels, clubs and other places where said articles are used and/or consumed on the premises and where such a place has properly complied with licensing requirements, if any, of the municipality, county and/or state in which it is situated.
 - (c) To governmental and charitable institutions, public and parochial schools and hospitals.
6. Peddler or interdealer sales f.o.b. plant (column D) means sales only to that class of dealers, properly licensed as may be required by state laws and the ordinances and regulations of the municipality in which business is done and who purchase fluid milk from a contracting distributor, distributing it to a list of wholesale and/or retail customers.
7. Where milk is sold by stores or at wholesale, in glass bottles, a deposit charge of _____¢ per bottle shall be made, returnable upon return of the bottle.

3. WHOLESALE AND RETAIL PRICE SCHEDULE

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store Cash & Carry	Delivered	Peddler Interdealer Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Milk <u> </u> % fat	¢	¢	¢	¢
Gallons (over <u> </u> gals.)				
Gallons (under <u> </u> gals.)				
Quarts				
Pints				
10 oz. bottles				
Half Pints				
Milk <u> </u> % fat				
Gallons (over <u> </u> gals.)				
Gallons (under <u> </u> gals.)				
Quarts				
Pints				
10 oz. bottles				
Half Pints				
Special or Guaranteed				
Milk <u> </u> % fat				
Gallons (over <u> </u> gals.)				
Gallons (under <u> </u> gals.)				
Quarts				
Pints				
10 oz. bottles				
Half Pints				
Certified Milk <u> </u> % fat				
Quarts				
Pints				
10 oz. bottles				
Half Pints				

WHOLESALE AND RETAIL PRICE SCHEDULE (continued)

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store Cash & Carry	Delivered	Peddler Interdealer Sales f.o.b Plant
	(A)	(B)	(C)	(D)
Buttermilk (Churned)	¢	¢	¢	¢
(over _____ gals.)				
Gallon (
(under _____ gals.)				
Quarts				
Pints				
Half Pints				
Buttermilk (Cultured under 1% fat)				
(over _____ gals.)				
Gallons (
(under _____ gals.)				
Quarts				
Pints				
Half Pints				
Buttermilk (Cultured Whole Milk)				
(over _____ gals.)				
Gallon (
(under _____ gals.)				
Quarts				
Pints				
Half Pints				
Skim milk (over _____ gals.)				
Gallons (
(under _____ gals.)				
Quarts				
Chocolate Milk _____ % fat				
Quarts				
Pints				
10 oz. bottles				
Half Pints				

WHOLESALE AND RETAIL PRICE SCHEDULE (continued)

	RETAIL		WHOLESALE	
	Home Delivery	Store Cash & Carry	Delivered	Peddler Interdealer Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Cream (Table or coffee) % fat (over ____ gals. Gallon (_____ (under ____ gals. Quarts	ϕ	ϕ	ϕ	ϕ
Pints				
Half Pints				
Gills				
Cream (Medium Fat) % fat (over ____ gals. Gallons (_____ (under ____ gals. Quarts				
Pints				
Half Pints				
Gills				
Cream (Heavy) % fat (over ____ gals. Gallon (_____ (under ____ gals. Quarts				
Pints				
Half Pints				
Gills				
Cream (sour) % fat (over ____ gals. Gallon (_____ (under ____ gals. Quarts				
Pints				
Half Pints				
Gills				

WHOLESALE AND RETAIL PRICE SCHEDULE (continued)

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store Cash & Carry	Delivery	Peddler Interdealer Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Cottage Cheese (dry)		¢	¢	¢
Bulk (per pound)				
1-lb. Packages				
12 oz. "				
10 oz. "				
Cottage Cheese (Creamed)				
Bulk (per pound)				
1-lb. packages				
12. oz. "				
10 oz. "				
Other Dairy Products				

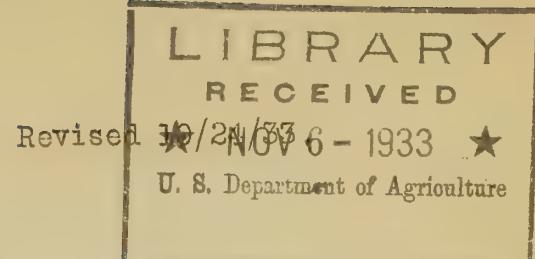
EXHIBIT "D"

RULES OF FAIR PRACTICE

The following practices are considered unfair and shall not be engaged in by the contracting distributors or by their officers, employees, or agents:

- (1) Any method or device whereby fluid milk is sold or offered for sale at a price less than that stated in the Agreement, whether by discount, rebate, free service, merchandise, advertising allowance, credit for bulk fluid milk returned, loans or credit outside the usual course of business or other valuable consideration or combined price for such milk together with another commodity sold or offered for sale whether separately or otherwise, or whereby a subsidy is given for either business or information or assistance in procuring business.
- (2) To place an employee or agent in a territory which within six months he had covered in any capacity for another milk dealer.

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FORM FOR

NATIONAL MARKETING AGREEMENT FOR MILK

PART I

The parties to this Agreement are the contracting distributors, the contracting producers, and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended; -

- (a) To establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period, the base period in the case of all agricultural commodities except tobacco being the prewar period, August 1909 - July 1914; and -
- (b) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as deemed feasible in view of the current consumptive demand in domestic and foreign markets; and -
- (c) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the prewar period, August 1909-July 1914; and

WHEREAS, pursuant to the Agricultural Adjustment Act, the parties hereto, for the purpose of correcting conditions now obtaining in the production of milk in the _____ production area, and the distribution thereof, and to effectuate the declared policy of the Act, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the Act;

NOW THEREFORE, the parties hereto agree as follows:

PART II

As used in this Agreement, the following words and phrases are defined as follows:

1. "Secretary" means the Secretary of Agriculture of the United States or his duly authorized representative.
2. "Act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.
3. "Person" means individual, partnership, corporation, and association or any other business unit.
4. "Fluid Milk" means milk, cream or any other of the articles listed in Exhibit "C" which are sold for consumption in the hereinafter defined sales area.
5. "Producer" means any person who produces, in the production area, milk sold for consumption as fluid milk in the sales area.
6. "Contracting Producers" means _____

(name of the producers association)
and such other producers as may become parties signatory to this Agreement according to the terms thereof.
7. "Distributor" means any person who distributes fluid milk for consumption in the sales area.

8. "Contracting Distributors" means _____

(name of the distributors association)

and such other distributors as may become parties signatory to this Agreement according to the terms thereof.

9. "Sales Area" means the territory included within the following boundaries:

10. "Production Area" means the territory within the following

boundaries:

Provided, however, that those farms outside the _____
Production Area now producing milk for sale as fluid milk in the
Sales Area shall not be excluded therefrom by this
provision.

11. "Subsidiary" means any person, of or over which the contracting distributor, who has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

12. "Affiliate" means any person which has, either directly or indirectly, actual or legal control of or over a contracting distributor, whether by stock ownership or in any other manner.

13. "Books and Records" means books, records, accounts, contracts, memoranda, documents, papers and correspondence, or other written data pertaining to the business of the person in question.

14. "Milk Board" means the Milk Industry Board as provided in Part III hereof.

15. "District Committee" means the District Milk Industry Committee, as provided in Exhibit "E" hereof.

16. "Regional Board" means the Regional Milk Industry Board, as provided in Exhibit "E" hereof.

17. "National Board" means the National Milk Industry Board, as provided in Exhibit "E" hereof.

18. (Insert definitions with respect to other important terms and names of persons used in this Agreement.)

PART III

1. "Members" as used in Part III means the members of the Milk Industry Board.

2. The contracting producers and contracting distributors shall cause to be organized within five days after the execution of this Agreement

by the Secretary, a committee of five to be known as the Milk Industry Board. Two members of the Board shall be elected by the contracting producers; two by the contracting distributors; and the fifth member, to represent the consumers, shall be elected by the other four. Such fifth member shall be a resident of the sales area and shall have no connection financially or otherwise with the distribution of milk or products derived therefrom. The fifth member shall be designated by the Secretary in the event such member is not elected within five days of the effective date of this Agreement by the four members as above provided.

3. Members representing the contracting producers and contracting distributors, respectively, shall be elected by the respective parties in a manner to be determined by themselves, provided that a vote of producers representing not less than _____ percent of the total volume of milk produced within the Production Area, for distribution as fluid milk during the calendar month next preceding such election which volume percentage of production shall include 51% of the producers, and a vote of distributors representing not less than _____ percent of the milk sold as fluid milk within the Sales Area, during the calendar month next preceding such election which percentage of distribution shall include 51% of the distributors by number, respectively, shall be necessary for such election. Upon election the names of all the members shall be certified by the party or parties conducting such elections to the Secretary for his approval. The Secretary may require that such certification include a statement of the manner and vote by which the respective members were elected and the percentage of the total production or sales of fluid milk within the area represented by such vote. Members whose names have been certified to the Secretary and approved

by him shall enter upon the discharge of their duties. If the Secretary shall not approve a member, there shall be a vacancy on the Milk Board. Any member may be removed, with or without cause, by vote of all producers or distributors, as the case may be, representing a volume of milk equal to at least three-fourths of the volume and number by which he was originally elected. Any vacancies on the Milk Board shall be filled in the same manner and by the same parties as provided for the original election.

4. The Milk Board shall be organized by the members by the selection of a chairman, vice-chairman, who shall be members, and a secretary-treasurer who may or may not be a member. The Milk Board shall employ such agents, assistants and clerks as may be necessary to perform its duties. All officers and employees of the Milk Board who handle funds of the Milk Board or who sign or countersign checks upon such funds shall severally give bonds in such amounts and with such sureties as shall be determined by the Milk Board. The cost of such bonds shall be paid by the Milk Board.

5. The members shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

6. The Milk Board shall be financed as provided in Exhibit "B", which is attached hereto and made a part hereof.

7. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Milk Board:

(a) to receive and investigate complaints of violations of the terms or conditions of this Agreement and of any license issued in respect to this Agreement and to issue warnings with respect thereto;

(b) to adjust disputes arising under this Agreement between con-

tracting producers and/or contracting distributors;

(c) to report its findings, with recommendations, to the Secretary for proceedings under the Act or otherwise which he may deem advisable;

(d) to cooperate in the establishment of, to establish, and to record bases for all producers, and to cancel bases of particular producers, in accordance with the provisions of Exhibit "B";

(e) to receive and act upon, in accordance with the provisions of Exhibit "B", the applications of new producers as determined in Exhibit "B";

(f) to receive and collect from distributors reports of sales of the various classes of milk and any other information required by the Milk Board in the performance of its duties;

(g) to review in accordance with the provisions of Exhibit "B" the operations of any sales pool, equalization fund, and marketing plan provided for in this Agreement;

(h) to account for all funds collected pursuant to this Agreement.

PART IV

1. The schedule governing the prices at which, and the terms and conditions under which, milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk, shall be that set forth in Exhibit "A", which is attached hereto and made a part hereof. The provisions of such schedule may be changed from time to time by agreement between _____% of the contracting producers, measured by total volume of milk produced within the Production Area, for distribution as fluid milk during the calendar month next preceding the date of any such agreement which percentage of production shall include 51% of the producers on the one hand, and _____% of the contracting distributors measured by total volume of milk sold as fluid milk within the sales area, which percentage of distribution shall include 51% of the distributors, on the other hand, provided, however, that such changes shall become effective only upon written approval of the Secretary. Payments to the Milk Board made pursuant to section six (6) of Article II and section two (2) of Exhibit "B", which is attached hereto and made a part of this Agreement, and like payments to

(name of the producers association)

made pursuant to membership agreements, shall, respectively, be deemed part of the price paid to producers.

2. The plan governing the marketing of milk within the Production Area and the Sales Area shall be that set forth in Exhibit "B", which is attached hereto and made a part of this Agreement. Such plan may be modified by agreement between _____% of the contracting producers, measured by total volume of milk produced within the Production Area, for distribution as fluid milk during the calendar month next preceding the date of any such agreement which percentage of production shall include 51% of the producers, on the one hand, and _____% of the contracting distributors, measured by total volume of milk sold as fluid milk within the Sales Area, during the calendar month next preceding the date of such agreement which percentage of distribution shall

include 51% of the distributors, on the other hand, provided, however, that such changes shall become effective only upon the written approval of the Secretary.

3. The schedule governing the prices at which and the terms and conditions under which fluid milk shall be distributed and sold by the contracting distributors in the _____ Sales Area, shall be that set forth in Exhibit "C", which is attached hereto and made a part of this Agreement. Such schedule may be changed from time to time by agreement between _____% of the contracting producers, measured by total volume of milk produced within the Production Area, for distribution as fluid milk during the calendar month next preceding the date of any such agreement which percentage of production shall include 51% of the contracting producers, on the one hand, and _____% of the contracting distributors measured by total volume of milk sold as fluid milk during the calendar month next preceding the date of any such agreement within the Sales Area, which volume of percentage of distribution shall include 51% of the contracting distributors, on the other hand, provided, however, that such changes shall become effective only upon the written approval of the Secretary.

4. The schedule of fair practices set forth in Exhibit "D", which is attached hereto and made a part of this Agreement, shall be the uniform schedule of fair practices for the Sales Area. The provisions of such schedule may be changed from time to time by agreement between _____ percent of the contracting distributors measured by the total volume of milk sold as fluid milk within the Sales Area during the calendar month next preceding the date of any such agreement, which percentage of distribution shall include 51 percent of the distributors by number, provided, however, that such changes shall only become effective upon the written approval of the Secretary.

5. The plan governing the organization and designation of the several Production Areas and Sales Areas, operating under agreements formulated in

accordance with the provisions of the Act and to which the Secretary is a party, as districts and regions shall be that set forth in Exhibit "C", which is attached hereto and made a part of this Agreement. The duties, powers and privileges of the district committees, regional boards, and national board shall be those enumerated in Exhibit "E".

6. The contracting distributors agree that they will not purchase milk from any producer not a member of the _____

(name of the producers association)

unless such producer authorized the purchasing contracting distributor to pay over to the Milk Board the same amount per hundred pounds of milk purchased which members of the _____
(name of the producers association)

are then authorizing the contracting distributors to pay over to the _____
(name of the producers association)

on behalf of its members, and such purchasing contracting distributors shall simultaneously with making payment to the producer for milk purchased, make payment as aforesaid to the said Milk Board. The sum so paid shall be kept as a separate fund by the Milk Board and expended by said Milk Board in securing for non-members of the _____

(name of the producers association)

services and benefits generally similar to those which are secured by the members of the _____
(name of the producers association)

by virtue of their like payments to _____

(name of the producers association)

The Milk Board shall employ the _____
(Name of the producers association)

as its representative for rendering services and acquiring benefits for the
non-members of the _____
(Name of the producers association)

similar to those rendered and acquired by members of the _____
(Name of the producers association)

by virtue of their membership whenever the _____
(Name of the producers association)

is in a position to render such services and confer such benefits. Such Milk
Board shall keep separate books and records in form satisfactory to the Secre-
tary pertaining to such funds, which said books and records of the Milk Board
shall be subject to the examination of the Secretary during the usual hours of
business, and that the Milk Board shall from time to time furnish the Secretary
such information as the Secretary may require.

7. All contracting producers, not members of _____
(Name of the producers association)

shall be permitted to become members of the _____
(Name of the producers association)

on an equal basis with existing members similarly circumstanced.

8. The contracting producers and the contracting distributors shall
severally maintain systems of accounting which shall accurately reflect the
true accounts and conditions of their respective businesses, which shall include
any subsidiary or affiliate. Their respective books and records (including the
books and records of such subsidiaries and affiliates) shall, during the usual
hours of business, be subject to the examination of the Secretary to assist
him in the furtherance of his duties with respect to this Agreement, including
verification by the Secretary of the information furnished on forms hereinafter re-
ferred to. The contracting producers and contracting distributors shall severally,
from time to time, furnish information to the Secretary on and in accordance with
form to be determined by him, each of which reports shall be verified under oath.

The Secretary, in his discretion, may permit the omission of any such subsidiary or affiliate from any such reports. In the event that the _____

(name of the producers association)

and/or the Milk Board and the Secretary shall have occasion to collect identical information from the same parties, the _____

(name of the producers association)

or the Milk Board, as the case may be, shall use forms acceptable to the Secretary and arrangements shall be made for triplicate reports to be submitted to the Secretary and the _____

(name of the producers association)

and the Milk Board. All information (unless it would have been otherwise legally obtainable by the Secretary) obtained by or furnished to the Secretary, pursuant to this paragraph, if designated in writing as such when so obtained or furnished, shall remain the confidential information of the Secretary, and shall not be disclosed by him except upon lawful demand by the President, by either House of the Congress, of any committee thereof, or by any court, or when offered in evidence in any hearing authorized by the Act, or otherwise in the suspension or revocation as to one or more persons of any license issued by the Secretary, whether or not such information was obtained from or furnished by the person or persons with respect to whose license the hearing was held. The Secretary, however, may combine and publish the information obtained from or furnished by the contracting parties in the form of general statistical studies or data. The Secretary may make and issue such regulations and prescribe such penalties in accordance with the provisions of Sub-Section (c), Section Ten (10) of the Act, as he may deem advisable in the event of any violation of the confidence or trust as imposed herein.

9. All fluid milk marketed and distributed in interstate commerce in accordance with the terms of this Agreement shall be produced, received, transported, processed, bottled, and distributed in accordance with the provisions of the health laws, ordinances and regulations of the Federal, state, municipal, or other political sub-divisions within which such milk is marketed and distributed. All such ordinances and regulations for the purposes herein stated shall be deemed a part hereof.

10. The contracting distributors hereby apply for and consent to licensing by the Secretary, subject to the applicable general regulations, Agricultural Adjustment Administration, prescribed by the Secretary and approved by the President, and not otherwise.

11. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and this Agreement shall continue in force until terminated in one of the following ways:

(a) The Secretary may at any time terminate this Agreement as to all parties thereto by giving at least one day notice by means of a press release or in any other manner which the Secretary may determine.

(b) The Secretary may, at any time terminate this Agreement as to any party signatory thereto, by giving at least one day notice, by depositing the same in the mail and addressed to such party at his last known address.

(c) The Secretary shall terminate this Agreement upon the request of _____% of the contracting producers, which percentage of producers shall include _____% of the production of the Production Area, for distribution as fluid milk during the calendar month next preceding the date of any such request or _____% of the contracting distributors which percentage of distributors shall include _____% of the fluid milk sales of the Sales Area, during the calendar month next preceding the date of any such request by giving notice, in the same manner as provided in subdivision (a) above.

(d) This Agreement shall in any event terminate whenever the provisions of the Act authorizing it cease to be in effect.

12. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges and immunities conferred by this Agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done prior thereto.

13. This Agreement may be executed in multiple counterparts, which, when signed by the Secretary, shall constitute, when taken together, one and the same instrument as if all such signatures were contained in one original.

14. After this Agreement first takes effect any producer of fluid milk or any distributor of fluid milk, may become a party to this Agreement, if a counterpart thereof is executed by him and the Secretary. This Agreement shall take effect as to such new contracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges and immunities conferred by this Agreement, shall then be effective as to such new contracting party.

15. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement and/or the applicability of any provision to any other person, circumstance or thing shall not be affected thereby.

16. Nothing contained in this Agreement shall be construed in derogation or modification of the rights of the Secretary to exercise any powers granted him by the Act or otherwise, and, in accordance with such powers, to act in the premises whenever he shall deem it advisable.

17. The Secretary may by a designation in writing, name any person, including any officer or employee of the government, to act as his representative in connection with any of the provisions contained in this Agreement to be performed by the Secretary.

IN WITNESS WHEREOF the contracting producers and the contracting distributors, acting under the provisions of the Agricultural Adjustment Act for the purposes and subject to the limitations herein contained and not otherwise, have hereunto set their respective hands and seals.

WHEREAS, it is provided by Section 8 of the Act as follows:

"In order to effectuate the declared policy, the Secretary of Agriculture shall have power to enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the anti-trust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this Act."

And -

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of the Act, and the regulations issued thereunder; and

WHEREAS, the Secretary finds (1) that the contracting producers and the contracting distributors are engaged in the handling of fluid milk in the current of interstate commerce; and (2) that the conditions existing in the marketing and distribution of fluid milk in intrastate commerce burden the marketing and distribution of fluid milk in interstate commerce; and (3) that the marketing and distribution of fluid milk in intrastate commerce is inextricably intermingled with its marketing and distribution in interstate commerce; and

WHEREAS, it appears, after due consideration, that this Agreement will tend to effectuate the policy of Congress declared in Section 2 of the Act, as hereinbefore in this Agreement set forth;

NOW THEREFORE, I, Henry A. Wallace, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purpose and within the limitations therein contained, and not otherwise, do hereby execute this Agreement under my hand and official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this _____ day of _____, and pursuant to the provisions hereof declare this Agreement to be effective on and after _____ Eastern Standard Time, _____.

Secretary of Agriculture.

EXHIBIT "A"

CLASSIFICATION OF MILK AND PRODUCER PRICES

1. Prices paid to producers shall be determined with reference to the rules for control of basic production and method of payment as set forth in Exhibit "B", attached hereto.

2. Classes of Milk.

All milk purchased and/or sold under this Agreement shall be divided into the following classes:

(a) Class I Milk.

Class I milk shall include all Special, Grade A and Grade B milk used or otherwise disposed of as follows:

All milk sold in bulk and in bottles,
All Bulgarian buttermilk sold in bottles,
All cream buttermilk sold in bottles,
All coffee cream sold in bottles,
All whipping cream sold in bottles,
All special cream sold in bottles,
All chocolate milk,

and shall include the difference between all milk delivered to any distributor and the total reported sales of such distributor in the several classes hereinbefore or hereinafter mentioned.

(b) Class II Milk.

Class II milk shall include all Special, Grade A and Grade B milk used, or otherwise disposed of as follows:

All plain buttermilk,
All milk, which is not already in Class I, from which the skim milk is utilized for making cottage cheese,
All cream sold in bulk,
All milk or cream used for ice cream mix, and
All cream stored for ice cream.

(c) Class III Milk.

Class III milk shall include all Special, Grade A and Grade B milk used, or otherwise disposed of as follows:

All milk used for making butter and from which the skim milk is not utilized for some product in Class I and/or Class II,

All milk used for hard cheese,

All milk used for condensed or evaporated milk, and

All milk purchased from producers who distribute fluid milk.

3. Payment to producers shall be computed on a hundredweight basis.

(a) All prices of milk stated are subject to the price differential on butterfat content as hereinafter provided.

(b) Class I Milk - Special Milk, and both Grade A and Grade B (subject to quality differentials) _____ per cwt. f.o.b. distributors' platform (and transportation differentials adopted for the market).

(c) Class II - Special Milk, and both Grade A and Grade B (subject to quality differentials) _____ per cwt. f.o.b. distributors' platform (and transportation differentials adopted for the market).

(d) Class III - Special Milk, and both Grade A and Grade B (subject to transportation differentials adopted for the market).

_____ times the average wholesale price Chicago 92 score butter as reported by the United States Department of Agriculture, for the period (or month) during which the milk is sold and to the resulting figure _____ cents per pound butterfat shall be added.

4. Butterfat premiums and penalties shall be based on _____ percent of butterfat.

A differential of _____ cents shall be paid for each 1/10 of 1 percent butterfat content below or above 3.5 percent butterfat.

5. All butterfat, in excess of the percent of butterfat in the natural milk flow of the herd, in any class, shall be paid for at Class

EXHIBIT "B"

MARKETING PLAN

Article I

Production Control

1. The contracting distributors shall not purchase fluid milk which is not produced within the production area, provided, however, that the Milk Board, if it shall at any time find that the consumptive demand for Class I and Class II milk in the Sales Area exceeds the available supply of fluid milk produced within the production area, may permit such purchases for a limited period until such available supply shall equal such consumptive demand.

2. Not to exceed _____ cents per hundred weight shall be deducted from the proceeds of the sale of fluid milk purchased from the producers of the production area and sold by the distributors in the Sales Area and shall be paid to the Milk Board. Of such stated amount per hundred weight of such fluid milk, the producers shall pay not to exceed _____ cents and the distributors shall pay not to exceed _____ cents. Such deductions from producers shall be considered part payment for milk.

3. Funds collected by the Milk Board and not expended by the Board to meet the expenditures necessitated by the performance of the duties as set forth in Part III and Exhibit "E" of the Agreement shall be repaid to producers in proportion to their deliveries of fluid milk sold as Class I fluid milk and to the distributors in proportion to their sales of Class I fluid milk.

to . The amount of such base shall be determined by the Milk Board. For such purpose, the books and records of the producer-distributor shall be available to the Milk Board. The producer-distributor shall for all purposes of this Agreement be considered as having two separate and distinct identities, first as a producer and second as a distributor. The producer-distributor shall be subject to all provisions of this Agreement, except to the extent that such provisions are inconsistent with this section, in which event, the provisions of this section shall govern.

5. For the purposes of this Agreement, the term base as used in respect to any producer, or herd of a producer, as the case may be, shall be:

(a) for that period of time dating from the execution hereof
by the Secretary to and including _____:

(1) In the case of producers who are members of the

(Name of the producers association)

the quantity of milk recorded as such base in the files of said

recorded as such base in the files of said

(Name of the producers association)

the quantity of milk recorded as such base in the files of said

(Name of the producers association)

(2) In the case of producers who have no base established

by the _____
(Name of the producers association)

a base shall be allotted as promptly as possible by the Milk Board and

bases so allotted by the Milk Board shall be equitable as compared with the bases established by the _____

(Name of the producers association)

(b) For that period of time dating from _____ and thereafter during the period this Agreement, the base of each producer shall be a volume of milk which is the same percentage of the producers' average daily production during the period _____ as the total average daily sales of fluid milk, reduced to terms of _____ percent milk, is of the total average daily production of all producers in the production area.

(c) The base of any producer may at the discretion of the Milk Board be redetermined in accordance with the provisions of section 4 or 5 of this Exhibit, provided that such redetermination shall not be made more often than once each twelve months.

6. The contracting distributors shall not purchase milk or cream from any new producer (the term "new producer" as used in this Agreement shall be deemed to mean such producer who commences to sell milk within the Sales Area after the effective date of this Agreement, and who was not selling milk at the time of the effective date of this Agreement) unless and until there shall have been first obtained for such new producer a certificate of necessity from the Milk Board. Any application for certificate of necessity shall be made to the Milk Board in writing upon forms supplied by the Milk Board. In the event that a certificate of necessity for any producer is denied after such application to the Milk Board, there shall be a right of immediate appeal to the Secretary in a manner to be determined by the Secretary, and he may, in his discretion, issue such certificate of necessity. In the event that a certificate of necessity is issued to a new producer, his established base shall be determined in the

same manner as set forth in section four (4) subsection (c) hereof except the Milk Board, in its discretion, shall determine the period of production and sales from which such base shall be determined, provided that in no event shall such base exceed fifty percent of such new producer's production at the time of application to the Milk Board for a certificate of necessity. The base so established shall be deemed to be the established base for such new producer thereafter.

7. Producers changing from one distributor to another may retain their same base provided notice is given to the Milk Board at least fifteen days before the change is made.

8. A producer with a base who, as a tenant, rents a farm may retain his base:

9. A tenant renting a farm may transfer his individual base from farm to farm with the herd for which such base is established.

10. A landlord who rents on shares is entitled to the entire base to the exclusion of the tenant, if the landlord owns the entire herd on such farm. If the cows are jointly owned, whether in a landlord-and-tenant relationship or otherwise, the base will be divided between the joint owners according to the ownership of the cows.

11. The separate bases of any landlord and his tenant or tenants may be established and handled as a single base. When the landlord and tenant or tenants separate, the combined bases will be divided according to the proportion of ownership of the herd.

12. A producer with a base who sells his entire herd to one purchaser at one time may transfer the base to the purchaser, provided, however, that the entire herd is maintained for six months consecutively after such sale and transfer, either on the farm on which such herd shall have been established or upon the first farm to which such herd may be moved by the said purchaser.

In such transfer at least as many cows of producing age as made the base must be transferred under the above conditions, except that not more than two cows for family use may be retained if the producing herd is greater than ten cows and only one cow may be retained if the herd consists of ten cows or less. Where the above conditions are not strictly complied with, the base will revert to the _____

(Name of the producers association)

in the case of members of the association for reallocation and to the Milk Board for reallocation in the case of non-members of the

(Name of the producers association)

13. A producer who moves his herd may retain his base only if thereafter milk is produced by him on a farm:

- (a) which has supplied milk for fluid milk in the Sales Area within one year preceding, or
- (b) which lies within a Production Area which has regularly been supplying milk as aforesaid.

14. Where a herd is dispersed for any reason, without the base having been transferred with the said herd, the producer must replace the herd within ninety days if such base is to be retained by the producer.

15. Any producer who shall voluntarily cease to market milk for fluid milk in the sales area for a period of more than sixty consecutive days, shall forfeit his base. In the event that he resumes production thereafter he shall be treated, for the purpose of these rules, as if he were a new producer.

16. Any producer may combine all bases to which he may be entitled under this Agreement.

17. Any producer whose average monthly shipment for any three consecutive months, is less than eighty-five percent of his base will thereby establish a new base equal to such average daily shipment.

18. All established bases dropped or not retained by producers under these rules may be reallocated by the _____

(Name of the producers association)

in the case of members thereof, and by the Milk Board in the case of non-members of the _____

(Name of the producers association)

Any producer loses all rights to his established base where the base is transferred or if said base is not retained by him under these rules.

19. Where base milk supplied to any dealer is not sufficient for that respective distributor's requirements and if no milk from holders of established bases be available to that distributor, an increase in the base apportionment shall then be made to those producers supplying milk to him at that time.

20. Excesses over base may be kept at home and such excess milk shall not be sold in the Sales Area in competition with base milk. If such excess over base is sold in the Sales Area in competition with base milk, the Milk Board shall notify the offending producer by written notice to stop or cause to be stopped such sale. In the event that such sale is not stopped within five days after the date on which such notice is mailed, the Milk Board shall, after due proof and opportunity for hearing, subject to the disapproval of the Secretary, cancel the base of the offending producer and thereupon the Milk Board shall reallocate such base, as provided in Section 18.

ARTICLE II

MARKETING PLAN

Equalization Pool

1. The distributors' equalization pool as hereinafter described shall become effective upon _____ and continue in effect during the period of this Agreement. The Milk Board shall administer such pool, provided that in the event the

_____ (Name of the producers association)

is at the time of the effective date of this Agreement conducting a similar pool or shall be in a position to economically conduct such pool, the Milk Board shall, subject to the approval of the Secretary, designate the

_____ (Name of the producers association)

administrator of such pool. A competent accountant, hereinafter termed "auditor", shall be retained by the

_____ (Name of the producers association)

or, in the event the said Milk Board administers the pool, by the Milk Board. Such auditor subject to the supervision of the

_____ (Name of the producers association)

or of the Milk Board, as the case may be, shall conduct the equalization pool in accordance with the following rules and regulations and such other rules and regulations as may hereafter be issued or approved by the Secretary.

2. Each distributor shall report to the auditor, on and in accordance with forms approved by the Milk Board, and on or before the fifth (5th) day of each month, the following information with respect to the calendar month immediately preceding such date (all quantities of milk being measured in hundredweight):

- (a) The quantity of milk and its weighted average butterfat test sold or used by such distributor as Class I milk.
- (b) The quantity of milk and its weighted average butterfat test sold or used by such distributor as Class II milk.
- (c) The quantity of milk and its weighted average butterfat test sold or used by such distributor as Class III milk (which shall be all milk delivered to such distributors during such period which was not sold or used by such distributor as either Class I or Class II milk).
- (d) The quantity of milk and the weighted average butterfat test thereof delivered to said distributor by or on behalf of producers.
- (e) The quantity of milk and the average butterfat test thereof delivered to such distributor by or on behalf of each producer, together with the name of each such producer.
- (f) The base of each such producer.
- (g) The quantity of milk reported under (e) above as having been delivered to such distributor by each producer which was within the base of such producer.
- (h) The sum of the quantities reported under (g) above as having been delivered to such distributor by each producer within the base of such producer, which shall be considered the delivered base of such distributor for such calendar month.

3. With respect to each calendar month, the auditor shall:

- (a) Compute the quantity of milk which each distributor used in each of Classes I, II and III and shall determine the total price of such respective quantities.

(b) Compute the percentage of the quantity of milk delivered to all the distributors by producers within such producers' bases which was used by all distributors in each of such classes; and shall compute such respective percentages of each producer's delivered base, multiplying the respective results by the prices of the respective classes of milk.

(c) Compute the sum to be paid producers per hundredweight for _____ percent milk sold as Class I and Class II milk by multiplying the percentage of Class I and Class II milk obtained as in (b) by the respective prices of such classes, adding the result and dividing by the total quantity of Class I and II milk as obtained in 3 (a).

4. The auditor shall notify each distributor:

- of the percentage of delivered base of each producer which is to be paid for at Class I and Class II prices;
- of the price of Class I and Class II milk as determined in 3 (c).

5. Each distributor shall pay each of his producers for the percentage of base milk in hundredweight as notified in 4 (a) at the price as notified in 4 (b) for _____ percent milk, plus or minus, as the case may be, the butterfat differential. All base milk not paid for at Class I Class II prices shall be paid for at the price for Class III milk. For all milk in excess of base the distributor shall pay the class I, II or III price or the price or prices for the respective classes in which such excess milk is used.

6. If, with respect to a given distributor, the total of the results reached under (b) of paragraph 3 is less than the total of the results reached under (a) of paragraph 3, the auditor shall notify such distributor to pay into the equalization fund the difference between such totals.

7. If, with respect to a given distributor, the total of the results reached under (b) of paragraph 3 is greater than the total of the results reached under (a) of paragraph 3, the auditor shall notify the _____

(Name of the producers association)

or the Milk Board, whichever is in charge of the equalization pool, to pay to such distributor out of the equalization fund the difference between such totals.

8. The notices provided for under sections 4, 5 and 6 shall be given on or before the tenth day of the month immediately succeeding the calendar month to which they apply.

9. All payments by distributors to producers shall be made on or before the fifteenth day of the month immediately succeeding the calendar month to which such payments apply.

10. All payments by distributors into the equalization fund of the difference computed under paragraph 4 and all payments out of the equalization fund to distributors of the difference computed under paragraph 5, shall be made on or before the twenty-fifth day of the month immediately succeeding the calendar month to which such payments apply.

11. Distributors shall keep adequate books and records disclosing all of the facts and information required by the auditor to determine, upon an audit, purchases, sales, movements out of plants and uses of all milk in its various classifications. For such purpose, the books and records of each distributor shall be available to the auditor. Any discrepancies found in the aforesaid monthly reports of purchases and sales or usage shall be adjusted when the next period's computations are made.

12. The auditor shall notify the Milk Board or

(Name of the producers association)

whichever is handling the equalization pool, of all reports made to, of information obtained by, and of the results of all computations made by him.

ALTERNATE PLAN

Base --- Surplus Price Plan

1. Each distributor shall report to the Milk Board:

- (a) within ten days after the effective date of this Agreement, his sales of milk classified as Class I, Class II and Class III milk for the two full calendar months immediately preceding the execution of this Agreement;
- (b) beginning with the month of _____ his sales classified as Class I, Class II and Class III milk; such report to be made on or before the fifth day of the calendar month;
- (c) the name of each producer from whom milk is purchased, the amount of base milk, and the total amount of milk in excess of such base;
- (d) the percentage of base milk to be paid for as Class I, Class II and Class III milk, such percentages to be determined by dividing the amounts as reported under subsection (b) by the total of delivered bases as reported under subsection (c).

2. Each distributor shall compute the price for base milk to be paid producers:

- (a) by multiplying the percentage of base milk in Class I sales in hundredweight by the Class I price, plus or minus, as the case may be, the butterfat differential;
- (b) by multiplying the percentage of base milk in Class II sales in hundredweight by the Class II price, plus or minus, as the case may be, the butterfat, differential;
- (c) for all base milk not sold and paid for as Class I or Class II milk in hundredweight, times the Class III price.

3. Each distributor shall pay the producers:

- (a) for base milk the amount per hundredweight obtained by adding the sums determined in accordance with section 2, subsections (a), (b) and (c), and dividing by the total quantity of delivered base milk in hundredweights;
- (b) for all milk in excess of base, the amount obtained by multiplying, in hundredweight, times the Class I, II, or III price or the price or prices for the respective classes in which such excess is used.

4. The Milk Board shall:

- (a) determine the average percentage of sales of Class I, Class II and Class III milk for the Sales Area.
- (b) determine whether or not the individual distributors have paid the producers amounts which are above or below the average price of the Sales Area for base milk.
- (c) notify the distributors of the results of the determinations under (a) and (b) hereof.

5. If the Milk Board shall find that any distributor is consistently paying _____ percent above or below the average of the market for base milk, the said Milk Board may, subject to the approval of the Secretary, cause such base milk to be diverted from such distributor. Such diversion of supply may be accomplished by transferring base milk between distributors and/or transferring producers from one distributor to another or otherwise and/or in such other manner as the Milk Board may, subject to the approval of the Secretary, determine.

6. The notice provided for under section 4 (c) shall be given on or before the tenth day of the month immediately succeeding the calendar month to which it applies.

7. All payments by distributors to producers shall be made on or before the fifteenth day of the month immediately succeeding the calendar month to which such payments apply.

3. Distributors shall keep adequate books and records disclosing all of the facts and information required by the Milk Board, to determine the purchases and the sales of all classes of milk. For such purpose, the books and records of each distributor shall be available to the Milk Board. Any discrepancies found in the aforesaid monthly reports of purchases and sales or usage shall be adjusted when the next period's computations are made.

EXHIBIT C

PRICE SCHEDULE FOR WHOLESALE AND RETAIL SALES

1. Sales of the following articles in the Sales Area shall be at prices hereinafter set forth. Sales of the following articles in bottles or containers shall be made only in bottles or containers of the size specified, and where a grade and/or percentage of butterfat is specified, only at the specified grade and/or percentage.

2. It shall not be deemed a violation of this Agreement to add to the selling price of any article or articles hereinafter listed in this Exhibit any specified sales or occupational taxes imposed by the laws of any State, if permitted by such laws, but any such additions shall be uniform as to all contracting distributors and/or sellers of milk at retail.

3. The contracting distributor may sell to any public unemployment relief agency, any welfare charity or government agency at less than the following prices, upon competitive bids or otherwise.

4. The prices listed in the retail price schedule shall apply as follows:

(a) Home delivery (column A) means retail sales by distributors, stores or markets where milk is delivered to the home of the purchaser.

(b) Store, (column B) means retail sales from stores or markets where purchaser removes the milk from place where bought.

5. Wholesale, delivered, (column C) prices shall apply in connection with sales as follows:

(a) To stores, markets, and other places where milk is re-sold in its original container for consumption other than on the premises.

(b) To restaurants, drug stores, confectioneries, hotels, and clubs where said articles are used and/or consumed on the premises.

6. Peddler sales f. o. b. plant (column D) means sales to small dealers not owning and operating plants for handling fluid milk who resell the milk in its original containers.

7. Where milk is sold by stores or at wholesale, in glass bottles, a deposit charge of _____ cents per bottle shall be made, returnable upon return of the bottle.

3. WHOLESALE AND RETAIL PRICE SCHEDULE

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store	Delivered	Peddler Sales f.o.b Plant
	(A)	(B)	(C)	(D)
Milk <u> </u> % fat	∅	∅	∅	∅
Gallons (over <u> </u> gals.)				
Gallons (under <u> </u> gals.)				
Quarts				
Pints				
10 oz. bottles				
Half Pints				
Milk <u> </u> % fat				
Gallons (over <u> </u> gals.)				
Gallons (under <u> </u> gals.)				
Quarts				
Pints				
10 oz. bottles				
Half pints				
Special or Guaranteed				
Milk <u> </u> % fat				
Gallons (over <u> </u> gals.)				
Gallons (under <u> </u> gals.)				
Quarts				
Pints				
10 oz. bottles				
Half Pints				
Certified Milk <u> </u> % fat				
Quarts				
Pints				
10 oz. bottles				
Half Pints				

WHOLESALE AND RETAIL PRICE SCHEDULE
(continued)

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store	Delivered	Peddler Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Buttermilk (Churned)	¢	¢	¢	¢
Gallons	(over _____ gals. ((under _____ gals.			
Quarts				
Pints				
Half Pints				
Buttermilk (Cultured under 1% fat)				
Gallons	(over _____ gals. ((under _____ gals.			
Quarts				
Pints				
Half Pints				
Buttermilk (Cultured Whole Milk)				
Gallons	(over _____ gals. ((under _____ gals.			
Quarts				
Pints				
Half Pints				
Skim milk				
Gallons	(over _____ gals. ((under _____ gals.			
Quarts				
Chocolate Milk _____ % fat				
Quarts				
Pints				
10 oz. bottles				
Half Pints				

WHOLESALE AND RETAIL PRICE SCHEDULE
(continued)

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store	Delivered	Peddler Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Cream (Table or coffee) % fat	¢	¢	¢	¢
Gallons (over _____ gals.)				
Gallons (under _____ gals.)				
Quarts				
Pints				
Half Pints				
Gills				
Cream (Medium Fat) $\frac{1}{2}$ % fat				
Gallons (over _____ gals.)				
Gallons (under _____ gals.)				
Quarts				
Pints				
Half Pints				
Gills				
Cream (Heavy) $\frac{1}{2}$ % fat				
Gallons (over _____ gals.)				
Gallons (under _____ gals.)				
Quarts				
Pints				
Half Pints				
Gills				
Cream (Sour) $\frac{1}{2}$ % fat				
Gallons (over _____ gals.)				
Gallons (under _____ gals.)				
Quarts				
Pints				
Half Pints				
Gills				

WHOLESALE AND RETAIL PRICE SCHEDULE
(continued)

	R E T A I L		W H O L E S A L E	
	Home Delivery	Store	Delivery	Peddler Sales f.o.b. Plant
	(A)	(B)	(C)	(D)
Cottage Cheese (dry)	¢	¢	¢	¢
Bulk (per pound)				
1-lb. Packages				
12 oz. "				
10 oz. "				
Cottage Cheese (Creamed)				
Bulk (per pound)				
1-lb. packages				
12 oz. "				
10 oz. "				
Other Dairy Products				

EXHIBIT "D"

RULES OF FAIR PRACTICE

The following practices are considered unfair and shall not be engaged in by the contracting distributors or by their officers, employees, or agents:

- (1) Any method or device whereby fluid milk is sold or offered for sale at a price less than that stated in the Agreement, whether by discount, rebate, free service, merchandise, credit for bulk fluid milk returned, loans or credit outside the usual course of business or other valuable consideration or combined price for such milk together with another commodity sold or offered for sale whether separately or otherwise, or whereby a subsidy is given for either business or information or assistance in procuring business.

Exhibit "E"

Organization District Milk Industry Committee,
Regional Milk Industry Board and National Milk
Industry Board.

1. For the purpose of securing maximum advantages to the contracting parties and to consumers under the terms of this Agreement and similar agreements, the Secretary hereby designates the sales area to be in Region No. _____, District No. _____; as indicated in Exhibit "E", which is attached hereto and made a part hereof.

2. A District Milk Industry Committee shall be established for District No. _____, Region No. _____, to consist of one representative of the contracting producers of the production area and one representative of the contracting distributors of the sales area, and if and when designated, other production areas and sales areas in District No. _____, Region No. _____.

Such representatives shall be designated by the Milk Boards. The chairman of the first Milk Board organized in District No. _____, Region No. _____ shall call by written notice the first meeting of the representatives composing the District Committee. The District Committee shall be organized at such first meeting by election from among their number, of a chairman, vice-chairman, and secretary, who shall perform the duties usually devolving upon such officers. The Secretary or his designated representative shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the District Committee.

3. A regional Milk Industry Board shall be established for Region No. _____ to consist of one representative of the contracting producers, and one representative of the contracting distributors of District No. _____, and if and when

designated other districts in Region No. _____. The representatives of each District shall be designated by the District Committee of each District. The Secretary shall call by written notice to the District Committees of Region No. _____ the first meeting of the representatives composing the Regional Board. The Regional Board shall be organized at such first meeting by election from among their number, of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary, or his designated representative, shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the Regional Board.

4. A National Milk Industry Board shall be established for the United States, to consist of one representative of the contracting producers and one representative of the contracting distributors of Region No. _____, and all other regions as designated in Exhibit "E", attached hereto. The representatives of each Region shall be designated by the Regional Boards of each Region. The Secretary shall call, by written notice to the secretaries of the Regional Boards, the first meeting of the representatives composing the National Board. The National Board shall be organized at such first meeting by election from among their number of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary, or his designated representative, shall _____ receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the National Board.

5. All voting members of the District Committees, Regional Boards and the National Board shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

(a) Expenses of members of District Committees shall be paid by the Milk Boards which such members represent.

(b) Expenses of members of Regional Boards and necessary operating expenses of Regional Boards shall be paid by the Milk Boards of the Region in the manner as hereinafter described.

(c) Expenses of members of the National Board shall be paid by the Regional Boards which such members represent.

6. A budget for a stated period shall be established by the Regional Board to cover its estimated expenses. Such budget shall be submitted to the Milk Boards of Region No. _____ together with a statement of the amount in cents or fractions thereof per hundredweight of fluid milk sold within the region necessary to cover such budget. Each such Milk Board shall note the period of the budget, amount per hundredweight and make payment to the treasurer of the said Regional Board in accordance with the volume of fluid milk sales sold in its sales area _____ for the three months immediately preceding date of budget. Payment of the sums determined in accordance with the provisions hereof may be paid in total or divided into as many installments as there are months covered by the period of the budget. The payment of such total sum, or the installments of such sum, if paid in installments, shall be made upon the twentieth of the month following receipt of the budget, and thereafter if payments are made in installments upon the twentieth of each succeeding month. The payments herein mentioned may, for good cause shown, be deferred from time to time upon approval of the Secretary.

7. The Regional Boards shall maintain a system of accounting and records which shall accurately reflect their true accounts and financial conditions. The Regional Boards' books and records shall be available during the usual business hours for inspection by authorized representatives of the Milk Boards within the Region.

8. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the District Committee;

- (a) to act as an advisory and coordinating committee within the industry;
- (b) to make recommendations to the Regional Board relative to matters affecting the industry;
- (c) to receive and investigate complaints arising from differences between the various sales areas and production areas operating within the district under agreements similar hereto;
- (d) to report its findings, with recommendations to the Secretary for proceedings under the Act or otherwise which he may deem advisable.

9. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Regional Board:

- (a) to act as an advisory and coordinating board within the industry;
- (b) to make recommendations to the National Board relating to matters affecting the industry;
- (c) to receive and investigate complaints arising from differences between the Districts;
- (d) to make recommendations to the Secretary on matters affecting the industry within its Region.

10. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the National Board:

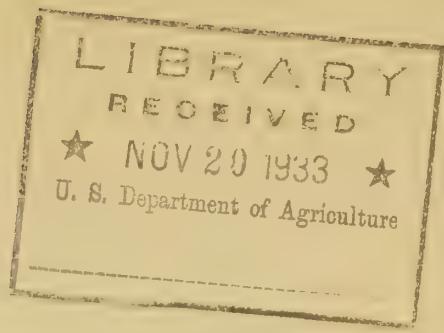
- (a) to act as an advisory board for the industry;
- (b) to make recommendations to the Secretary relating to matters affecting the industry;
- (c) to receive and investigate complaints arising from differences between the Regions;
- (d) to report its findings, with recommendation, to the Secretary for any proceedings under the Act or otherwise which he may deem advisable.



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DHF

MARKETING AGREEMENT FOR MILK



PART I

The parties to this Agreement are the contracting distributors, the contracting producers, and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended; -

- (a) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period, the base period in the case of all agricultural commodities except tobacco being the prewar period, August 1909 - July 1914; and -
- (b) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and -
- (c) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the prewar period, August 1909 - July 1914; and

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WHEREAS, pursuant to the Agricultural Adjustment Act, the parties hereto, for the purpose of correcting conditions now obtaining in the production of milk in the Production Area, and the distribution thereof, and to effectuate the declared policy of the Act, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the Act:

NOW THEREFORE, the parties hereto agree as follows:

PART II

As used in this Agreement, the following words and phrases are defined as follows:

1. "Secretary" means the Secretary of Agriculture of the United States or his duly authorized representative.
2. "Act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.
3. "Person" means individual, partnership, corporation, association or any other business unit.
4. "Fluid Milk" means milk, cream or any other of the articles listed in Exhibit "C" which are sold for consumption in the Sales Area.
5. "Producer" means any person who produces, in the Production Area, milk sold for consumption as fluid milk in the Sales Area.
6. "Contracting Producers" means (an association duly organized and existing under the laws of the State of) and such other producers as may become parties signatory to this Agreement according to the terms hereof.
7. "Distributor" means any of the following persons engaged in the business of handling fluid milk produced by others:
 - A. Persons, irrespective of whether any such person is also a producer of milk:
 - (1) Who pasteurize or bottle fluid milk or process into fluid milk;

- (2) Who distribute fluid milk at wholesale or retail
 - (a) to hotels, restaurants, stores or other establishments for consumption on the premises, (b) to stores or other establishments for resale, or
 - (c) to consumers;
- (3) Who operate stores or other establishments selling fluid milk at retail for consumption on or off the premises.

B. Persons, other than producers, who sell fluid milk to distributors.

8. "Contracting Distributors" means

(corporations

duly incorporated and existing under the laws of the State of and such other distributors as may become parties signatory to this Agreement according to the terms hereof.

9. "Sales Area" means the territory included within

10. "Production Area" means the territory within the following boundaries:

11. "Subsidiary" means any person, of or over whom a contracting distributor or contracting producer has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

12. "Affiliate" means any person who has, either directly or indirectly, actual or legal control of or over a contracting distributor or contracting producer, whether by stock ownership or in any other manner, or the actual or legal control of or over whom is, either directly or indirectly, in a person who has, either directly or indirectly, actual or legal control of or over a contracting distributor or contracting producer.

13. "Books and Records" means books, records, accounts, contracts, memoranda, documents, papers, correspondence, or other written data pertaining to the business of the person in question.

14. "Milk Board" means the Milk Industry Board, as provided in Part III hereof.

15. "District Committee" means the District Milk Industry Committee, as provided in Part IV hereof.

16. "Regional Board" means the Regional Milk Industry Board, as provided in Part IV hereof.

17. "National Board" means the National Milk Industry Board, as provided in Part IV hereof.

Part III

1. "Members" as used in Part III means the members of the Milk Industry Board.

2. The contracting producers and contracting distributors shall cause to be organized within five days after the execution of this Agreement

by the Secretary, a committee of five to be known as the Milk Industry Board. Two members of the Board shall be elected by the contracting producers; two by the contracting distributors; and the fifth member, to represent the consumers, shall be elected by the other four. Such fifth member shall be a resident of the Sales Area and shall have no connection financially or otherwise with the distribution of milk or products derived therefrom. The fifth member shall be designated by the Secretary in the event such member is not elected within five days after the effective date of this Agreement by the four members as above provided.

3. Members representing the contracting producers and contracting distributors, respectively, shall be elected by the respective parties in a manner to be determined by themselves, provided that a vote of producers representing not less than 70% of the total volume of milk produced within the Production Area during the calendar month next preceding such election for distribution as fluid milk, which percentage of production shall include 60% of the producers by number, and that a vote of distributors representing not less than 70% of the milk sold as fluid milk within the Sales Area during the calendar month next preceding such election, which percentage of distribution shall include 60% of the distributors by number, respectively, shall be necessary for such election. Upon election the names of all the members shall be certified by the party or parties conducting such elections to the Secretary for his approval. The Secretary may require that such certification include a statement of the manner and vote by which the respective members were elected and the percentage of the total production or sales of fluid milk represented by such vote. Members whose names have been certified to the Secretary and approved by him shall enter upon the

discharge of their duties. If the Secretary shall not approve a member, there shall be a vacancy on the Milk Board. Any member may be removed, with or without cause, by vote of all producers or distributors, as the case may be, representing a volume of milk equal to at least three-fourths of the volume and number by which he was originally elected. Any vacancies on the Milk Board shall be filled in the same manner and by the same parties as provided for the original election.

4. The Milk Board shall be organized by the members by the selection of a chairman, vice-chairman, who shall be members, and a secretary-treasurer who may or may not be a member. The Milk Board shall employ such agents, assistants and clerks as may be necessary to perform its duties. All officers and employees of the Milk Board who handle funds of the Milk Board or who sign or countersign checks upon such funds shall severally give bonds in such amounts and with such sureties as shall be determined by the Milk Board. The cost of such bonds shall be paid by the Milk Board.

5. The members shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

6. The Milk Board shall be financed as provided in Exhibit "B", which is attached hereto and made a part hereof.

7. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Milk Board:

(a) to receive and investigate complaints of violations of the terms or conditions of this Agreement and of any license issued in respect to this Agreement and to issue warnings with respect thereto;

(b) to adjust disputes arising under this Agreement between con-

tracting producers and/or contracting distributors;

(c) to report its findings, with recommendations, to the Secretary for proceedings under the Act or otherwise which he may deem advisable;

(d) to cooperate in the establishment of, to establish, and to record bases for all producers, and to cancel bases of particular producers, in accordance with the provisions of Exhibit "B";

(e) to receive and act upon, in accordance with the provisions of Exhibit "B", the applications of new producers as determined in Exhibit "B";

(f) (f) to receive and collect from distributors reports of sales of the various classes of milk and any other information required by the Milk Board in the performance of its duties;

(g) to review in accordance with the provisions of Exhibit "B" the operations of any sales pool, equalization fund, and marketing plan provided for in this Agreement;

(h) to account for all funds collected pursuant to this Agreement.

PART IV

1. For the purpose of securing maximum advantages to the contracting parties and to consumers under the terms of this Agreement and similar agreements, the Secretary hereby designates the Sales Area to be in Region No. , District No. , as indicated in Exhibit "E", which is attached hereto and made a part hereof.

2. A District Milk Industry Committee shall be established for District No. , Region No. , to consist of one representative of the contracting producers of the Production Area and one representative of the contracting distributors of the Sales Area, and if and when designated, other production areas and sales areas in District No. , Region No. .

Such representatives shall be designated by the Milk Boards. The chairman of the first Milk Board organized in District No. ,

Region No. shall call by written notice the first meeting of the representatives composing the District Committee. The District Committee shall be organized at such first meeting by election from among their number, of a chairman, vice-chairman, and secretary, who shall perform the duties usually devolving upon such officers. The Secretary of his designated representative shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the District Committee.

3. A Regional Milk Industry Board shall be established for Region No. to consist of one representative of the contracting producers, and one representative of the contracting distributors of District No. , and if and when

designated other districts in Region No. . The representatives of each District shall be designated by the District Committee of each District. The Secretary shall call by written notice to the District Committees of Region No. the first meeting of the representatives composing the Regional Board. The Regional Board shall be organized at such first meeting by election from among their number, of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary, or his designated representative, shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the Regional Board.

4. A National Milk Industry Board shall be established for the United States, to consist of one representative of the contracting producers and one representative of the contracting distributors of Region No. , and all other regions as designated in Exhibit "E", attached hereto. The representatives of each Region shall be designated by the Regional Boards of each Region. The Secretary shall call, by written notice to the secretaries of the Regional Boards, the first meeting of the representatives composing the National Board. The National Board shall be organized at such first meeting by election from among their number of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary, or his designated representative, shall receive notice of all meetings, have the privilege of the floor, but shall not have a vote on any matters coming before the National Board.

5. All voting members of the District Committees, Regional Boards and the National Board shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

- (a) Expenses of members of District Committees shall be paid by the Milk Boards which such members represent.
- (b) Expenses of members of Regional Boards and necessary operating expenses of Regional Boards shall be paid by the Milk Boards of the Region in the manner as hereinafter described.
- (c) Expenses of members of the National Board shall be paid by the Regional Boards which such members represent.

6. A budget for a stated period shall be established by the Regional Board to cover its estimated expenses. Such budget shall be submitted to the Milk Boards of Region No. together with a statement of the amount in cents or fractions thereof per hundredweight of fluid milk sold within the region necessary to cover such budget. Each such Milk Board shall note the period of the budget, amount per hundredweight and make payment to the treasurer of the said Regional Board in accordance with the volume of fluid milk sales sold in its sales area for the three months immediately preceding date of budget. Payment of the sums determined in accordance with the provisions hereof may be paid in total or divided into as many installments as there are months covered by the period of the budget. The payment of such total sum, or the installments of such sum, if paid in installments, shall be made upon the twentieth of the month following receipt of the budget, and thereafter if payments are made in installments upon the twentieth of each succeeding month. The payments herein mentioned may, for good cause shown, be deferred from time to time upon approval of the Secretary.

7. The Regional Boards shall maintain a system of accounting and records which shall accurately reflect their true accounts and financial conditions. The Regional Boards' books and records shall be available during the usual business hours for inspection by authorized representatives of the Milk Boards within the Region.

8. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the District Committee;

- (a) to act as an advisory and coordinating committee within the industry;
- (b) to make recommendations to the Regional Board relative to matters affecting the industry;
- (c) to receive and investigate complaints arising from differences between the various sales areas and production areas operating within the district under agreements similar hereto;
- (d) to report its findings, with recommendations, to the Secretary for proceedings under the Act or otherwise which he may deem advisable.

9. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Regional Board:

- (a) to act as an advisory and coordinating board within the industry;
- (b) to make recommendations to the National Board relating to matters affecting the industry;
- (c) to receive and investigate complaints arising from differences between the Districts;
- (d) to make recommendations to the Secretary on matters affecting the industry within its Region.

10. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the National Board;

- (a) to act as an advisory board for the industry;
- (b) to make recommendations to the Secretary relating to matters affecting the industry;
- (c) to receive and investigate complaints arising from differences between the Regions;
- (d) to report its findings, with recommendations, to the Secretary for any proceedings under the Act or otherwise which he may deem advisable.

PART V

1. The schedule governing the prices at which, and the terms and conditions under which, milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk, shall be that set forth in Exhibit "A", which is attached hereto and made a part hereof. The provisions of such schedule may be changed from time to time by agreement between 75% of the contracting producers, measured by total volume of milk produced within the Production Area, during the calendar month next preceding the date of any such agreement for distribution as fluid milk, which percentage of production shall include 60% of the producers by number, on the one hand, and 75% of the contracting distributors, measured by total volume of milk sold as fluid milk within the Sales Area, during the calendar month next preceding any such agreement, which percentage of distribution shall include 60% of the distributors by number, on the other hand, provided, however, that such changes shall become effective only upon the written approval of the Secretary. Payments to the Milk Board made pursuant to Section four (4) of Part V of this Agreement and Section two (2) of Article I of Exhibit "B", which is attached hereto and made a part of this Agreement, and like payments to

made pursuant to membership agreements, shall, respectively, be deemed part of the price paid to producers.

2. The plan governing the marketing of milk within the Production Area and the Sales Area shall be that set forth in Exhibit "B", which is attached hereto and made a part of this Agreement. Such plan may be modified by agreement between 75% of the contracting producers, measured by total volume of milk produced within the Production Area, during the calendar month next preceding the date of any such agreement for distribution as fluid milk, which percentage of production shall include 60% of the producers by

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number, on the one hand, and 75% of the contracting distributors, measured by total volume of milk sold as fluid milk within the Sales Area, during the calendar month next preceding the date of any such agreement, which percentage of distribution shall include 60% of the distributors by number, on the other hand, provided, however, that such changes shall become effective only upon the written approval of the Secretary.

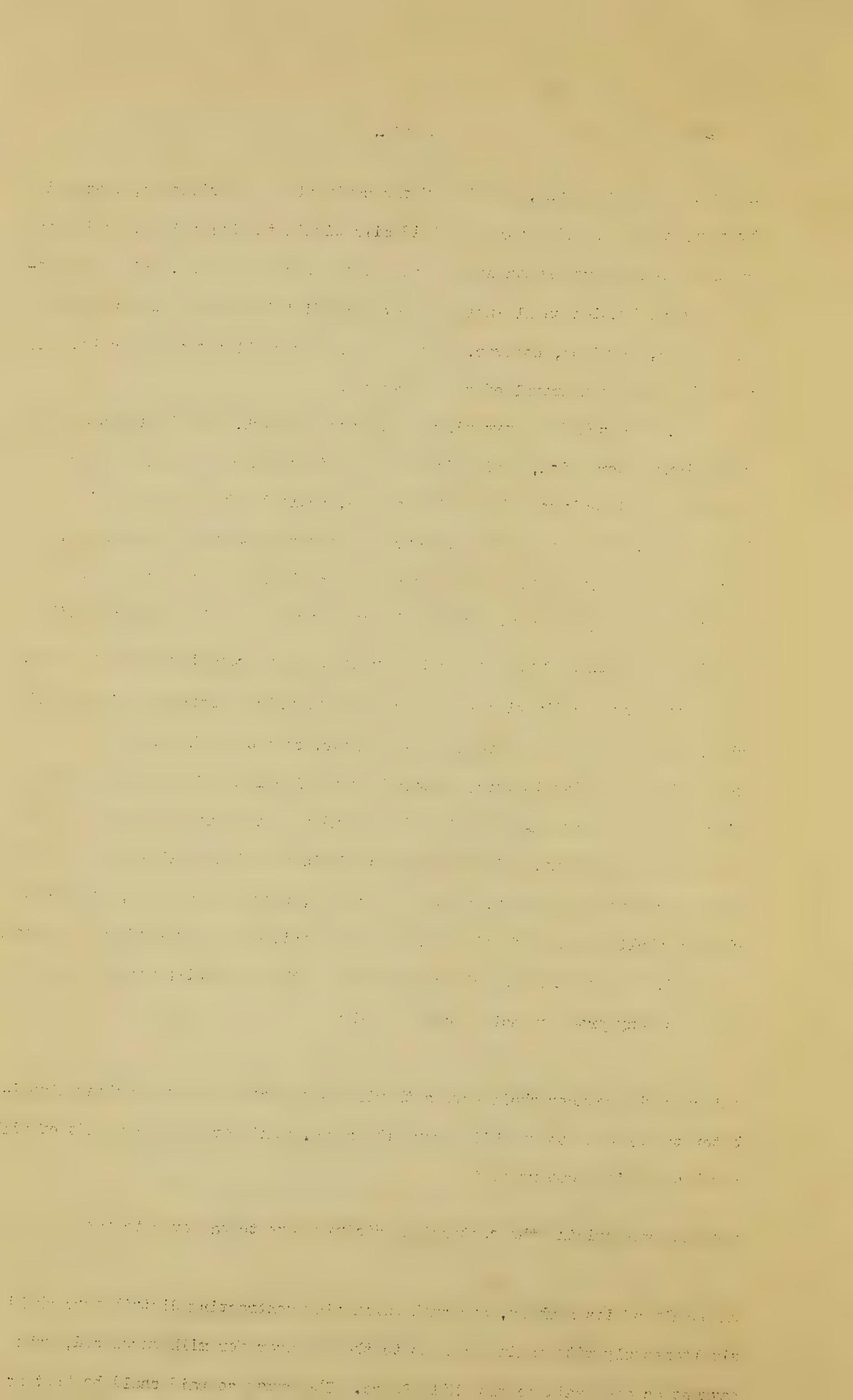
3. The schedule governing the prices at which, and the terms and conditions under which, fluid milk shall be distributed and sold by the contracting distributors in the Sales Area, shall be that set forth in Exhibit "C", which is attached hereto and made a part of this Agreement. Such schedule may be changed from time to time by agreement between 75% of the contracting producers, measured by total volume of milk produced within the Production Area during the calendar month next preceding the date of any such agreement for distribution as fluid milk, which percentage of production shall include 60% of the producers by number, on the one hand, and 75% of the contracting distributors, measured by total volume of milk sold as fluid milk within the Sales Area during the calendar month next preceding the date of any such agreement, which percentage of distribution shall include 60% of the distributors by number, on the other hand, provided, however, that such changes shall become effective only upon the written approval of the Secretary.

4. The contracting distributors agree that they will not purchase milk from any producer not a member of the

unless such producer shall have authorized the purchasing contracting distributor to pay over to the Milk Board the same amount per hundred pounds of milk purchased which members of the

are then authorizing the contracting distributors to pay over to the

on behalf of its members, and such purchasing contracting distributors shall simultaneously with making payment to the producer for milk purchased, make payment as aforesaid to the Milk Board. The sums so paid shall be kept as



a separate fund by the Milk Board and expended by the Milk Board in securing services and benefits generally similar to those which are secured by the members of the Milk Board shall employ the as its representative for rendering services and acquiring benefits for the non-members of the Milk Board similar to those rendered and acquired by members of the Milk Board by virtue of their membership whenever the Milk

is in a position to render such services and confer such benefits. The Milk Board shall keep separate books and records in form satisfactory to the Secretary pertaining to such funds, which said books and records of the Milk Board shall be subject to the examination of the Secretary during the usual hours of business, and the Milk Board shall from time to time furnish the Secretary such information as the Secretary may require.

5. All contracting producers, not members of

shall be permitted to become members of the

on an equal basis with existing members similarly circumstanced.

6. The contracting producers and the contracting distributors shall severally maintain systems of accounting which shall accurately reflect the true accounts and conditions of their respective businesses, which shall include any subsidiary or affiliate. Their respective books and records (including the books and records of any subsidiaries or affiliates) shall, during the usual hours of business, be subject to the examination of the Secretary to assist him in the furtherance of his powers and duties with respect to this Agreement, including verification by the Secretary of the information furnished on forms hereinafter referred to. The contracting producers and contracting distributors shall severally, from time to time, furnish information to the Secretary on and in accordance with forms to be determined by him, each of

ports shall be verified under oath. The Secretary, in his discretion, may permit the omission of any subsidiary or affiliate from any such reports.

In the event that the

and/or the Milk Board and the Secretary shall have occasion to collect identical information from the same parties, the

or the Milk Board, as the case may be, shall use forms acceptable to the Secretary and arrangements shall be made for a copy of such reports to be submitted to the Secretary, the

and the Milk Board. All information (Unless it would have been otherwise legally obtainable by the Secretary) obtained by or furnished to the Secretary, pursuant to this Section, if designated in writing as such when so obtained or furnished, shall remain the confidential information of the Secretary, and shall not be disclosed by him except upon lawful demand by the President, by either House of the Congress, of any committee thereof, or by any court, or when offered in evidence in any hearing, authorized by the Act or otherwise, for the suspension or revocation as to one or more persons of any license issued by the Secretary, whether or not such information was obtained from or furnished by the person or persons with respect to whose license the hearing is held. The Secretary, however, may combine and publish the information obtained from or furnished by the contracting parties in the form of general statistical studies or data. The Secretary may make and issue such regulations and prescribe such penalties in accordance with the provisions of Sub-Section (c), Section Ten (10) of the Act, as he may deem advisable to prevent any violation of the confidence imposed hereby.

7. All fluid milk marketed and distributed in accordance with the terms of this Agreement shall be produced, received, transported, processed, bottled, and distributed in accordance with the applicable provisions of the health laws, ordinances and regulations of the Federal, state, municipal, or other political subdivisions within which such milk is marketed and distributed. All such ordinances and regulations for the purposes herein stated shall be deemed a part hereof.

8. The schedule of fair practices set forth in Exhibit "D", which is attached hereto and made a part of this Agreement, shall be the uniform schedule of fair practices for the Sales Area. The provisions of such schedule may be changed from time to time by agreement between 75% of the contracting distributors, measured by total volume of milk sold as fluid milk within the Sales Area during the calendar month next preceding the date of any such agreement, which percentage of distribution shall include 60% of the distributors by number, provided, however, that such changes shall become effective only upon the written approval of the Secretary.

9. The contracting distributors hereby apply for and consent to licensing by the Secretary, subject to the applicable general regulations and milk regulations, Agricultural Adjustment Administration, prescribed by the Secretary and approved by the President, and not otherwise.

10. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and this Agreement shall continue in force until terminated in one of the following ways:

(a) The Secretary may at any time terminate this Agreement as to all parties hereto by giving at least one day's notice by means of a press release or in any other manner which the Secretary may determine.

(b) The Secretary may at any time terminate this Agreement as to any party signatory hereto, by giving at least one day's notice, by depositing the same in the mail addressed to such party at his last known address.

(c) The Secretary shall terminate this Agreement upon the request of 75% of the contracting producers, which percentage of producers shall include 75% of the total volume of milk produced within the Production Area during the calendar month next preceding the date of any such request for distribution as fluid milk, and 75% of the contracting distributors, which percentage of distributors shall include 75% of the total volume of milk sold as fluid milk within the Sales Area during the calendar month next preceding the date of any such request, by giving notice in the same manner as provided in subsection (a) of this Section.

(d) This Agreement shall in any event terminate whenever the provisions of the Act authorizing it cease to be in effect.

11. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges and immunities conferred by this Agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done prior thereto.

12. This Agreement may be executed in multiple counterparts, which, when signed by the Secretary, shall constitute, when taken together, one and the same instrument as if all such signatures were contained in one original.

13. After this Agreement first takes effect any producer or any distributor may become a party to this Agreement, if a counterpart hereof is executed by him and the Secretary. This Agreement shall take effect as to such new contracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges and immunities conferred by this Agreement shall then be effective as to such new contracting party.

14. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement and/or the applicability of any provision to any other person, circumstance or thing shall not be affected thereby.

15. Nothing contained in this Agreement shall be construed in derogation or modification of the rights of the Secretary to exercise any powers granted him by the Act or otherwise, and, in accordance with such powers, to act in the premises whenever he shall deem it advisable.

16. The Secretary may by a designation in writing, name any person, including any officer or employee of the government, to act as his representative in connection with any of the provisions contained in this Agreement.

IN WITNESS WHEREOF the contracting producers and the contracting distributors, acting under the provisions of the Agricultural Adjustment Act for the purposes and subject to the limitations therein contained and not otherwise, have hereunto set their respective hands and seals.

WHEREAS, it is provided by Section 8 of the Act as follows:

"In order to effectuate the declared policy, the Secretary of Agriculture shall have power --- To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the anti-trust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this Act."

And -

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of the Act, and the regulations issued thereunder; and

WHEREAS, the Secretary finds (1) that the contracting producers and the contracting distributors are engaged in the handling of fluid milk in the current of interstate commerce; and (2) that the conditions existing in the marketing and distribution of fluid milk in intrastate commerce burden the marketing and distribution of fluid milk in interstate commerce; and (3) that the marketing and distribution of fluid milk in intrastate commerce is inextricably intermingled with its marketing and distribution in interstate commerce; and

WHEREAS, it appears, after due consideration, that this Agreement will tend to effectuate the policy of Congress declared in Section 2 of the Act, as hereinbefore in this Agreement set forth;

NOW THEREFORE, I, Henry A. Wallace, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations therein contained, and not otherwise, do hereby execute this Agreement under my hand and official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this _____ day of _____, and pursuant to the provisions hereof declare this Agreement to be effective on and after _____ Eastern Standard Time, _____.

Secretary of Agriculture.

EXHIBIT "A"

CLASSIFICATION OF MILK AND PRODUCER PRICES

1. Prices paid to producers shall be determined with reference to the rules for control of basic production and method of payment as set forth in Exhibit "B", attached hereto.

2. Classes of Milk.

All milk purchased and/or sold under this Agreement shall be divided into the following classes:

(a) Class I Milk.

Class I milk shall include all Special, Grade A and Grade B milk used or otherwise disposed of as follows:

All milk sold in bulk or in bottles,
All Bulgarian buttermilk sold in bottles,
All cream buttermilk sold in bottles,
All chocolate milk,

and shall include the difference between all milk delivered to any distributor and the total reported sales of such distributor in the several classes hereinbefore or hereinafter mentioned.

(b) Class II Milk.

Class II milk shall include all Special, Grade A and Grade B milk used or otherwise disposed of as follows:

All plain buttermilk,
All milk, which is not already in Class I, from which the skim milk is utilized for making cottage cheese,
All cream sold in bulk or in bottles,
All milk or cream used for ice cream mix, and
All cream stores for ice cream.

(c) Class III Milk.

Class III milk shall include all Special, Grade A and Grade B milk used or otherwise disposed of as follows:

All milk used for making butter and from which the skim milk is not utilized for some product in Class I and/or Class II
All milk used for hard cheese, and
All milk used for condensed or evaporated milk.

3. Payment to producers shall be computed on a hundredweight basis.

(a) All prices of milk stated are subject to the price differential on butterfat content as hereinafter provided.

(b) Class I Milk - Special Milk, and both Grade A and Grade B (subject to quality differentials) per cwt. f.o.b. distributors' platform (and transportation differentials adopted for the market).

(c) Class II - Special Milk, and both Grade A and Grade B (subject to quality differentials) per cwt. f.o.b. distributors' platform (and transportation differentials adopted for the market).

(d) Class III - Special Milk, and both Grade A and Grade B (subject to transportation differentials adopted for the market). The butterfat content times the average price per pound, in the Chicago market for the period (or month) during which the milk is sold, of 92 score butter sold at wholesale as reported by the United States Department of Agriculture, and to the resulting figure cents shall be added. The resulting sum shall be the price per one hundred pounds.

4. Butterfat premiums and penalties shall be based on 4 percent of butterfat. A differential of cents shall be paid for each 1/10 of 1 percent butterfat content below or above percent butterfat.

5. All butterfat, in excess of the percent of butterfat in the natural milk flow of the herd, in any class, shall be paid for at Class III price.

6. All milk delivered in any period (or month) shall be paid for not later than fifteen days following the close of the period (or month).

EXHIBIT "B"

MARKETING PLAN

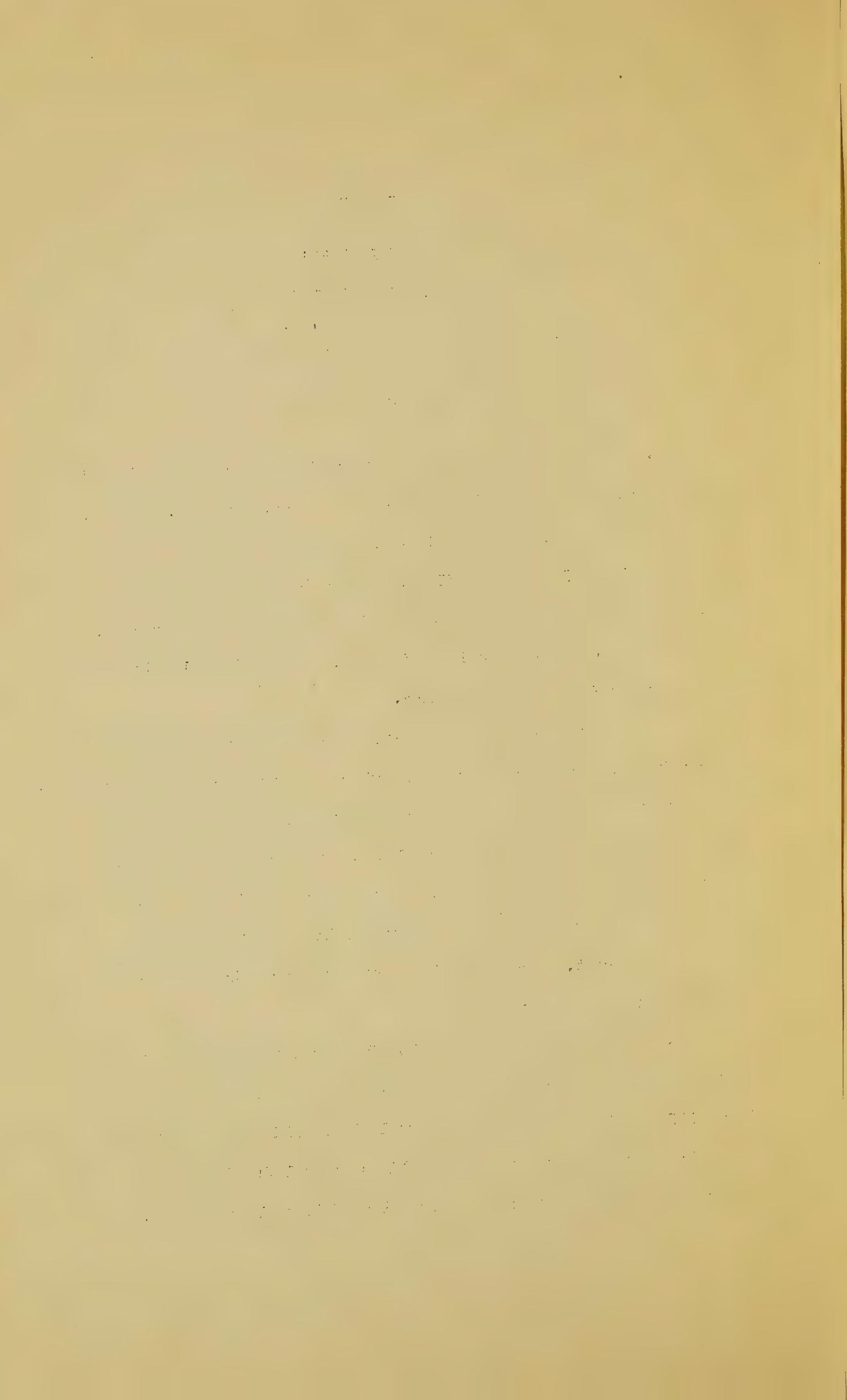
Article I

Production Control

1. The contracting distributors shall not purchase fluid milk which is not produced within the Production Area, provided, however, that the Milk Board, if it shall at any time find that the consumptive demand for Class I and Class II milk in the Sales Area exceeds the available supply of fluid milk produced within the Production Area, may permit such purchases for a limited period until such available supply shall equal such consumptive demand.

2. Not to exceed cents per hundred weight shall be deducted from the proceeds of the sale of fluid milk purchased from the producers of the Production Area and sold by the distributors in the Sales Area and shall be paid to the Milk Board. Of such stated amount per hundredweight of such fluid milk, the producers shall pay not to exceed cent and the distributors shall pay not to exceed cent. Such deductions from producers shall be considered part payment for milk.

3. Funds collected by the Milk Board and not expended by the Board to meet the expenditures necessitated by the duties as set forth in Parts III and IV of this Agreement shall be repaid to producers in proportion to their deliveries of fluid milk sold as Class I fluid milk and to the distributors in proportion to their sales of Class I fluid milk.



4. Producers who distribute only milk produced by themselves and who sell no part thereof to distributors, except at the Class III price as set forth in Exhibit "A" shall be known as producer-distributors. The producer-distributors signatory to this Agreement will accept and abide by a base which shall be the amount of fluid milk reduced to terms of percent milk expressed in hundredweight which equals the average daily sales of fluid milk by the producer-distributor for the two full calendar months next preceding the effective date of this Agreement. The amount of such base shall be determined by the Milk Board. For such purpose, the books and records of the producer-distributor shall be available to the Milk Board. The producer-distributor shall for all purposes of this Agreement be considered as having two separate and distinct identities, first as a producer and second as a distributor. The producer-distributor shall be subject to all provisions of this Agreement, except to the extent that such provisions are inconsistent with this Section, in which event, the provisions of this Section shall govern.

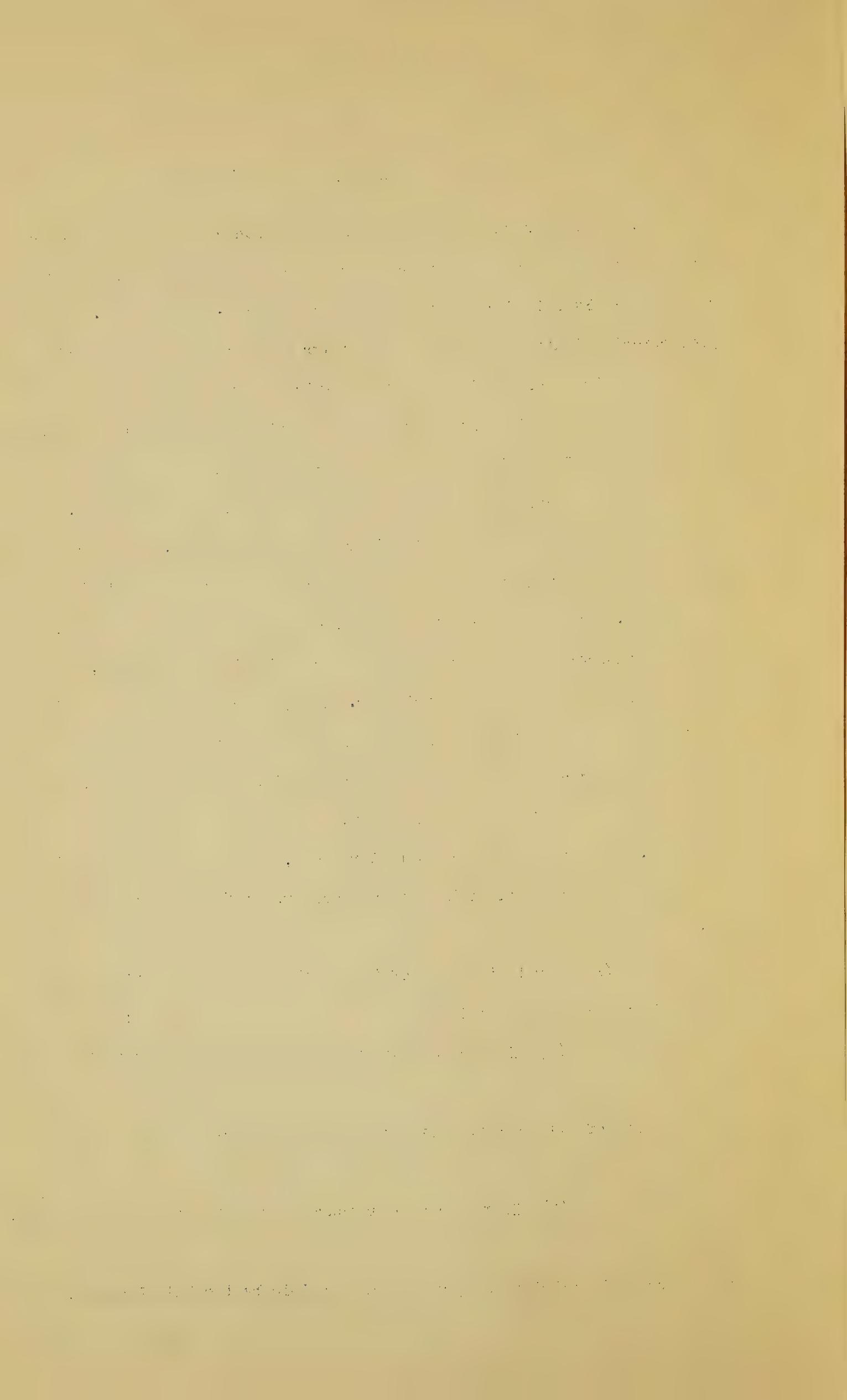
5. For the purposes of this Agreement, the term base as used in respect to any producer, or herd of a producer, as the case may be, shall be:

(a) for that period of time dating from the execution hereof by the Secretary to and including :

(1) In the case of producers who are members of the

the quantity of milk recorded as such base in the files of said

(2) In the case of producers who have no base established by the a base shall be allotted as promptly as possible by the Milk Board and



bases so allotted by the Milk Board shall be equitable as compared with the bases established by the

(b) For that period of time dating from and thereafter during the period of this Agreement, the base of each producer shall be a volume of milk which is the same percentage of the producers' average daily production during the as the total average daily sales of fluid milk during such reduced to terms of percent milk, is of the total average daily production of all producers in the Production Area.

(c) The base of any producer may at the discretion of the Milk Board be redetermined in accordance with the provisions of Section 4 or 5 of this Exhibit, provided that such redetermination shall not be made more often than once each twelve months.

6. The contracting distributors shall not purchase milk or cream from any new producer (the term "new producer" as used in this Agreement shall be deemed to mean any producer who commences to sell milk within the Sales Area after the effective date of this Agreement, and who was not selling milk at the time of the effective date of this Agreement) unless and until there shall have been first obtained for such new producer a certificate of necessity from the Milk Board. Any application for a certificate of necessity shall be made to the Milk Board in writing upon forms supplied by the Milk Board. In the event that a certificate of necessity for any producer is denied after such application to the Milk Board, there shall be a right of immediate appeal to the Secretary in a manner to be determined by the Secretary, and he may, in his discretion, issue such certificate of necessity. In the event that a certificate of necessity is issued to a new producer, his established base shall be determined in the same manner as

set forth in Section five (5), subsection (a), paragraph (2), of this Article except that the Milk Board, in its discretion, shall determine the period of production and sales from which such base shall be determined, provided that in no event shall such base exceed fifty percent of such new producer's production at the time of application to the Milk Board for a certificate of necessity. The base so established shall thereafter be deemed to be the established base for such new producer.

7. Producers changing from one distributor to another may retain their same base provided notice is given to the Milk Board at least fifteen days before the change is made.

8. A producer with a base who, as a tenant, rents a farm may retain his base.

9. A tenant renting a farm may transfer his individual base from farm to farm with the herd for which such base is established.

10. A landlorder who rents on shares is entitled to the entire base to the exclusion of the tenant, if the landlord owns the entire herd on such farm. If the cows are jointly owned, whether in a landlord-and-tenant relationship or otherwise, the base will be divided between the joint owners according to the ownership of the cows.

11. The separate bases of any landlord and his tenant or tenants may be established and handled as a single base. When the landlord and tenant or tenants separate, the combined bases will be divided according to the proportion of ownership of the herd.

12. A producer with a base who sells his entire herd to one purchaser at one time may transfer the base to the purchaser, provided, however, that the entire herd is maintained for six months consecutively after such sale and transfer, either on the farm on which such herd shall have been established or upon the first farm to which such herd may be moved

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by the said purchaser. In such transfer at least as many cows of producing age as made the base must be transferred under the above conditions, except that not more than two cows for family use may be retained if the producing herd is greater than ten cows and only one cow may be retained if the herd consists of ten cows or less. Where the above conditions are not strictly complied with, the base will revert to the

in the case of members of the association for reallocation and to the Milk Board for reallocation in the case of non-members of the

13. A producer who moves his herd may retain his base only if thereafter milk is produced by him on a farm:

(a) which has supplied milk for fluid milk in the Sales Area within one year preceding, or

(b) which lies within a Production Area which has regularly been supplying milk as aforesaid.

14. Where a herd is dispersed for any reason, without the base having been transferred with the said herd, the producer must replace the herd within ninety days if such base is to be retained by the producer.

15. Any producer who shall voluntarily cease to market milk for fluid milk in the Sales Area for a period of more than sixty consecutive days, shall forfeit his base. In the event that he resumes production thereafter he shall be treated, for the purpose of these rules, as if he were a new producer.

16. Any producer may combine all bases to which he may be entitled under this Agreement.

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17. Any producer whose average monthly shipment for any three consecutive months, is less than eighty-five percent of his base will thereby establish a new base equal to such average daily shipment.

18. All established bases dropped or not retained by producers under these rules may be reallocated by the

in the case of members thereof, and by the Milk Board in the case of non-members of the

Any producer loses all rights to his established base where the base is transferred or if said base is not retained by him under these rules.

19. Where base milk supplied to any distributor is not sufficient for that respective distributor's requirements and if no milk from holders of established bases be available to that distributor, an increase in the base apportionment shall then be made to those producers supplying milk to him at that time.

20. Excesses over base may be kept at home and such excess milk shall not be sold in the Sales Area in competition with base milk. If such excess over base is sold in the Sales Area in competition with base milk, the Milk Board shall notify the offending producer by written notice to stop or cause to be stopped such sale. In the event that such sale is not stopped within five days after the date on which such notice is mailed, the Milk Board shall, after due proof and opportunity for hearing, subject to the disapproval of the Secretary, cancel the base of the offending producer and thereupon the Milk Board shall reallocate such base, as provided in Section 18.

Dear Father: I have written to you before, but

you have not written back, so I will do it again.

I am still in the hospital, but I am getting along

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ARTICLE II

MARKETING PLAN

Equalization Pool

1. The distributors' equalization pool as hereinafter described shall become effective upon . . . and continue in effect during the period of this Agreement. The Milk Board shall administer such pool, provided that in the event the

is at the time of the effective date of this Agreement conducting a similar pool or shall be in a position to economically conduct such pool, the Milk Board shall, subject to the approval of the Secretary, designate the

administrator of such pool. A competent accountant, hereinafter termed "auditor", shall be retained by the

or, in the event the said Milk Board administers the pool, by the Milk Board. Such auditor subject to the supervision of the

or of the Milk Board, as the case may be, shall conduct the equalization pool in accordance with the following rules and regulations and such other rules and regulations as may hereafter be issued or approved by the Secretary.

2. Each distributor shall report to the auditor, on and in accordance with forms approved by the Milk Board, and on or before the fifth (5th) day of each month, the following information with respect to the calendar month immediately preceding such date (all quantities of milk being measured in hundredweight):

- (a) The quantity of milk sold or used by such distributor as Class I milk
- (b) The quantity of milk sold or used by such distributor as Class II milk.
- (c) The quantity of milk sold or used by such distributor as Class III milk (which shall be all milk delivered to such distributors during such period which was not sold or used by such distributor as either Class I or Class II milk).
- (d) The quantity of milk delivered to said distributor by or on behalf of producers.
- (e) The quantity of milk delivered to such distributor by or on behalf of each producer, together with the name of each such producer.
- (f) The base of each such producer.
- (g) The quantity of milk reported under (e) above as having been delivered to such distributor by each producer which was within the base of such producer.
- (h) The sum of the quantities reported under (g) above as having been delivered to such distributor by each producer within the base of such producer, which shall be considered the delivered base of such distributor for such calendar month.

3. With respect to each calendar month, the auditor shall:

- (a) Compute the quantity of milk which each distributor used in each of Classes I, II and III and shall determine the total price of such respective quantities.

(b) Compute the percentage of the quantity of milk delivered to all the distributors by producers within such producers' bases which was used by all distributors in each of such classes; and shall compute such respective percentages of each producer's delivered base, multiplying the respective results by the prices of the respective classes of milk.

(c) Compute the sum to be paid producers per hundredweight for percent milk sold as Class I and Class II milk by multiplying the percentage of Class I and Class II milk obtained as in (b) by the respective prices of such classes, adding the result and dividing by the total quantity of Class I and II milk as obtained in 3 (a).

4. The auditor shall notify each distributor:

(a) of the percentage of delivered base of each producer which is to be paid for at Class I and Class II prices;

(b) of the price of Class I and Class II milk as determined in 3 (c).

5. Each distributor shall pay each of his producers for the percentage of base milk in hundredweight as notified in 4 (a) at the price as notified in 4 (b) for percent milk, plus or minus, as the case may be, the butterfat differential. All milk not paid for at Class I or Class II prices shall be paid for at the price for Class III milk.

6. If, with respect to a given distributor, the total of the results reached under (b) of paragraph 3 is less than the total of the results reached under (a) of paragraph 3, the auditor shall notify such distributor to pay into the equalization fund the difference between such totals and such distributor shall make such payment.

7. If, with respect to a given distributor, the total of the results reached under (b) of paragraph 3 is greater than the total of the

results reached under (a) of paragraph 3, the auditor shall notify the

or the Milk Board, whichever is in charge of the equalization pool, to pay to such distributor out of the equalization fund the difference between such totals, and such payments shall be made, provided, however, that if payments into the equalization fund are insufficient the payments out of the equalization fund shall be made proportionate to such difference of each distributor to the extent which payments into the equalization fund permit.

8. The notices provided for under Sections 4,5, 6 and 7 shall be given on or before the tenth day of the month immediately succeeding the calendar month to which they apply.

9. All payments by distributors to producers shall be made on or before the fifteenth day of the month immediately succeeding the calendar month to which such payments apply.

10. All payments by distributors into the equalization fund of the difference computed under Section 6 shall be made on or before the twentieth day of the month immediately succeeding the calendar month to which such payments apply, and all payments out of the equalization fund to distributors of the difference, or sums proportionate to the differences, computed under Section 7 shall be made on or before the twenty-fifth day of such month.

11. Distributors shall keep adequate books and records disclosing all of the facts and information required by the auditor to determine, upon an audit, purchases, sales, movements out of plants and uses of all milk in its various classifications. For such purpose, the books and records of each distributor shall be available to the auditor. Any discrepancies found in the aforesaid monthly reports of purchases and sales or usage shall be adjusted when the next period's computations are made.

12. The auditor shall notify the Milk Board or

whichever is handling the equalization pool, of all reports made to, of information obtained by, and of the results of all computations made by him.

ALTERNATE PLAN

Base --- Surplus Price Plan

1. Each distributor shall report to the Milk Board:

- (a) within ten days after the effective date of this Agreement, his sales of milk classified as Class I, Class II and Class III milk for the two full calendar months immediately preceding the execution of this Agreement:
- (b) beginning with the month of his sales classified as Class I, Class II and Class III milk; such report to be made on or before the fifth day of the calendar month;
- (c) the name of each producer from whom milk is purchased, the amount of base milk, and the total amount of milk in excess of such base;
- (d) the percentage of base milk to be paid for as Class I, Class II and Class III milk, such percentages to be determined by dividing the amounts as reported under subsection (b) by the total of delivered bases as reported under subsection (c).

2. Each distributor shall compute the amount to be paid producers:

- (a) by multiplying the percentage of Class I sales in hundredweight by the Class I price, plus or minus, as the case may be, the butterfat differential;
- (b) by multiplying the percentage of Class II sales in hundredweight by the Class II price, plus or minus, as the case may be, the butterfat differential;
- (c) by multiplying all base milk not sold and paid for as Class I or Class II milk, in hundredweight, by the Class III price.

3. Each distributor shall pay the producers:
 - (a) for base milk the amount per hundredweight obtained by adding the sums determined in accordance with section 2, subsections (a), (b) and (c), and dividing by the total quantity of delivered base milk in hundredweights;
 - (b) for all milk in excess of base, the amount obtained by multiplying such excess milk, in hundredweight, by the Class III price.
4. The Milk Board shall:
 - (a) determine the average percentage of sales of Class I, Class II and Class III milk for the Sales Area.
 - (b) determine whether or not the individual distributors have paid the producers amounts which are above or below the average price of the Sales Area for base milk.
 - (c) notify the distributors of the results of the determinations under (a) and (b) hereof.
5. If the Milk Board shall find that any distributor is consistently paying 20 percent above or below the average of the market for base milk, the said Milk Board may, subject to the approval of the Secretary, cause such base milk to be diverted from such distributor. Such diversion of supply may be accomplished by transferring base milk between distributors and/or transferring producers from one distributor to another or otherwise and/or in such other manner as the Milk Board may, subject to the approval of the Secretary, determine.
6. The notice provided for under Section 4 (c) shall be given on or before the tenth day of the month immediately succeeding the calendar month to which it applies.
7. All payments by distributors to producers shall be made on or before the fifteenth day of the month immediately succeeding the calendar month to which such payments apply.

8. Distributors shall keep adequate books and records disclosing all of the facts and information required by the Milk Board, to determine the purchases and the sales of all classes of milk. For such purpose, the books and records of each distributor shall be available to the Milk Board. Any discrepancies found in the aforesaid monthly reports of purchases and sales or usage shall be adjusted when the next period's computations are made.

EXHIBIT C

PRICE SCHEDULE FOR WHOLESALE AND RETAIL SALES

1. Sales of the following articles in the Sales Area shall be at prices hereinafter set forth. Sales of the following articles in bottles or containers shall be made only in bottles or containers of the size specified, and where a grade and/or percentage of butterfat is specified, only at the specified grade and/or percentage.

2. It shall not be deemed a violation of this Agreement to add to the selling price of any article or articles hereinafter listed in this Exhibit any specified sales or occupational taxes imposed by the laws of any State, if permitted by such laws, but any such additions shall be uniform as to all contracting distributors and/or sellers of milk at retail.

3. The contracting distributor may sell to any public unemployment relief agency, any welfare charity or government agency at less than the following prices, upon competitive bids or otherwise.

4. The prices listed in the retail price schedule shall apply as follows:

(a) Home delivery (column A) means retail sales by distributors, stores or markets where milk is delivered to the home of the purchaser.

(b) Store, (column B) means retail sales from stores or markets where purchaser removes the milk from place where bought.

5. Wholesale, delivered, (column C) prices shall apply in connection with sales as follows:

(a) To stores, markets, and other places where milk is re-sold in its original container for consumption other than on the premises.

(b) To restaurants, drug stores, confectioneries, hotels, and clubs where said articles are used and/or consumed on the premises.

WHOLESALE AND RETAIL PRICE SCHEDULE

	R E T A I L		W H O L E S A L E
	Home Delivery	Store	Delivered
	(A)	(B)	(C)
Milk <u> % fat</u>	\emptyset		
(over 8 gals.)			38
Gallons			40
(under 8 gals.)			
Quarts	13	13	11 1/2
Pints	7 1/2	7 1/2	7
10 oz. bottles			
Half Pints	5	5	3 1/2
Milk <u> % fat</u>			
(over <u> </u> gals.)			
Gallons			
(under <u> </u> gals.)			
Quarts			
Pints			
10 oz. bottles			
Half Pints			
Special or Guaranteed Milk <u> % fat</u>			
(over <u> </u> gals.)			
Gallons			
(under <u> </u> gals.)			
Quarts			
Pints			
10 oz. bottles			
Half Pints			
Certified Milk <u> % fat</u>			
Quarts			
Pints			
10 oz. bottles			
Half Pints			

WHOLESALE AND RETAIL PRICE SCHEDULE
 (continued)

	R E T A I L		W H O L E S A L E
	Home Delivery	Store	Delivered
	(A)	(B)	(C)
Buttermilk (Churned)	∅	∅	∅
(over ____ gals.)			
Gallons			20
(under ____ gals.)			
Quarts	7	7	6
Pints	5	5	4
Half Pints			
Buttermilk (Cultured under 1% fat)			
(over ____ gals.)			
Gallons			
(under ____ gals.)			
Quarts			
Pints			
Half Pints			
Buttermilk (Cultured Whole Milk)			
(over ____ gals.)			
Gallons			
(under ____ gals.)			
Quarts	15	15	13
Pints	9	9	7
Half Pints			
Skim milk			
(over ____ gals.)			
Gallons			
(under ____ gals.)			
Quarts			
Chocolate Milk ____ % fat			
Quarts	13	13	11- 1/2
Pints	7 - 1/2	7 - 1/2	7
10 oz. bottles			
Half Pints	5	5	3 - 1/2

WHOLESALE AND RETAIL PRICE SCHEDULE
(continued)

	RETAIL		WHOLESALE
	Home Delivery	Store	Delivered
	(A)	(B)	(C)
Cream (Table or coffee) % fat	¢	¢	¢
Gallons (over ____ gals.)			
Gallons (under ____ gals.)			
Quarts			
Pints			
Half Pints			
Gills			
Cream (Medium Fat) % fat 18 - 22%			
Gallons (over ____ gals.)			1.30
Gallons (under ____ gals.)			
Quarts	50	50	.48
Pints	26	26	.24
Half Pints	13	13	.12
Gills			
Cream (Heavy) % fat 36-42%			
Gallons (over ____ gals.)			2.25
Gallons (under ____ gals.)			
Quarts	75	75	.70
Pints	38	38	.36
Half Pints	21	21	.19
Gills			
Cream (Sour) % fat			
Gallons (over ____ gals.)			
Gallons (under ____ gals.)			
Quarts			
Pints			
Half Pints			
Gills			

WHOLESALE AND RETAIL PRICE SCHEDULE
(continued)

	R E T A I L		W H O L E S A L E
	Home Delivery	Store	Delivery
	(A)	(B)	(C)
Cottage Cheese (dry)	∅	∅	∅
Bulk (per pound)			
1-lb. Packages			
12 oz. "			
10 oz. "			
Cottage Cheese (Creamed)			12
Bulk (per pound)			
1-lb. packages			
12 oz. "	14	14	12
10 oz. "	12	12	10
Other Dairy Products			

EXHIBIT "D"

RULES OF FAIR PRACTICE

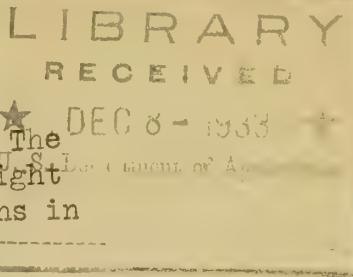
The following practices are considered unfair and shall not be engaged in by the contracting distributors or by their officers, employees, or agents:

- (1) Any method or device whereby fluid milk is sold or offered for sale at a price less than that stated in the Agreement, whether by discount, rebate, free service, merchandise, credit for bulk fluid milk returned, loans or credit outside the usual course of business or other valuable consideration or combined price for such milk together with another commodity sold or offered for sale whether separately or otherwise, or whereby a subsidy is given for either business or information or assistance in procuring business.

194 F
14 F

(Note: This form is intended mainly for convenience. The Agricultural Adjustment Administration reserves the right to make changes, additions, omissions or substitutions in this form.)

U. S. Department of Agriculture



Control No.

Copy No.

MARKETING AGREEMENT FOR MILK

Production Area

Sales Area

PART I

The parties to this Agreement are the contracting distributors, the contracting producers, and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended:-

- (a) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period, the base period in the case of all agricultural commodities except tobacco being the prewar period, August 1909 - July 1914; and
- (b) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and
- (c) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the prewar period, August 1909 - July 1914; and

WHEREAS, pursuant to the Agricultural Adjustment Act, the parties hereto, for the purpose of correcting conditions now obtaining in the production of milk in the Production Area, and the distribution thereof, and to effectuate the declared policy of the Act, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the Act:

NOW THEREFORE, the parties hereto agree as follows:

PART II

As used in this Agreement, the following words and phrases are defined as follows:

1. "Secretary" means the Secretary of Agriculture of the United States.
2. "Act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.
3. "Person" means individual, partnership, corporation, association or any other business unit.
4. "Fluid Milk" means milk, cream or any other of the articles listed in Exhibit C which are sold for consumption in the Sales Area, as hereinafter defined.
5. "Producer" means any person, irrespective of whether any such person is also a distributor, who produces, in the Production Area, as hereinafter defined, milk marketed for distribution as fluid milk.
6. "Contracting Producers" means the

(an association organized and existing under the laws of the State of), such other associations of producers and such producers as may become parties signatory to this Agreement according to the terms hereof.

7. "Distributor" means any of the following persons engaged in the business of handling fluid milk:

A. Persons, irrespective of whether any such person is also a producer:

- (1) Who pasteurize or bottle fluid milk or process milk into fluid milk;
- (2) Who distribute fluid milk at wholesale or retail (a) to hotels, restaurants, stores or other establishments, for consumption on the premises, (b) to stores or other establishments for resale, or (c) to consumers;
- (3) Who operate stores or other establishments selling fluid milk at retail for consumption off the premises, or in original containers for consumption on the premises.

B. All other persons, other than producers, who purchase milk from producers for resale.

8. "Contracting Distributors" means such distributors as may become parties signatory to this Agreement according to the terms hereof.

9. "

Sales Area"

means the territory included within the following boundaries:

10. "

Production Area"

means the territory included within the following boundaries:

Provided, however, that those farms outside such boundaries from which, on the effective date of this Agreement, milk is marketed for distribution as fluid milk shall not be excluded from the

Production Area.

11. "Subsidiary" means any person, of or over whom or which a contracting distributor or a contracting producer or an affiliate of a contracting distributor or contracting producer has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

12. "Affiliate" means any person and/or any subsidiary thereof who or which has, either directly or indirectly, actual or legal control of or over a contracting distributor or contracting producer, whether by stock ownership or in any other manner.

13. "Books and Records" means books, records, accounts, contracts, memoranda, documents, papers, correspondence, or other data pertaining to the business of the person in question.

14. "Milk Board" means the Milk Industry Board as provided in Part III hereof.

15. "District Committee" means the District Milk Industry Committee, as provided in Exhibit E, which is attached hereto and made a part hereof.

16. "Regional Board" means the Regional Milk Industry Board, as provided in Exhibit E.

17. "National Board" means the National Milk Industry Board, as provided in Exhibit E.

PART III

1. "Members" as used in Part III means the members of the Milk Industry Board.

2. The contracting producers and contracting distributors shall cause to be organized within five days after the effective date of this Agreement, a committee of five to be known as the Milk Industry Board. Two members of the Board shall be elected by the contracting producers; two by the contracting distributors; and the fifth member, to represent the consumers, shall be elected

by the other four. Such fifth member shall be a resident of the Sales Area, and shall have no connection financially or otherwise with the distribution of milk or products derived therefrom. In the event such fifth member is not elected within five days after the effective date of this Agreement by the four members as above provided, he shall be designated by the Secretary.

3. Members representing the contracting producers and contracting distributors, respectively, shall be elected by the respective parties in a manner to be determined by themselves, provided that a vote of contracting producers representing not less than percent of the total volume of milk produced and marketed by contracting producers for distribution as fluid milk during the calendar month next preceding such election, which percentage of milk marketed shall include percent of the contracting producers, and a vote of contracting distributors representing not less than percent of the milk distributed as fluid milk by contracting distributors during the calendar month next preceding such election, which percentage of distribution shall include percent of the contracting distributors by number, respectively, shall be necessary for such election. Upon election, the names of all the members shall be certified by the party or parties conducting such elections to the Secretary for his approval. The Secretary may require that such certification include a statement of the vote by and manner in which the respective members were elected, and the percentage of the milk marketed and/or fluid milk distributed represented by such vote. Members whose names have been certified to the Secretary and approved by him shall enter upon the discharge of their duties. If the Secretary shall not approve a member, there shall be a vacancy on the Milk Board. Any member may be removed, with or without cause, by a vote of contracting producers or contracting distributors, as the case may be, equal, in volume and number, to at least three-fourths of the volume and number by which he was originally elected. Any vacancies on the Milk Board shall be filled in the same manner and by the same parties as provided for

the original election.

4. The Milk Board shall be organized by the selection of a chairman, vice-chairman, who shall be members, and a secretary-treasurer who may or may not be a member. The Milk Board shall employ such agents, assistants and clerks as may be necessary to perform its duties. In the performance of its duties, the Milk Board may make such arrangements as it sees fit with the

for the use of the organization and equipment of the

. All officers and employees of the Milk Board who handle funds of the Milk Board, or who sign or countersign checks upon such funds, shall severally give bond in such amounts and with such sureties as shall be determined by the Milk Board. The cost of such bonds shall be paid by the Milk Board and the Milk Board shall determine the amount and sufficiency of such bonds.

5. The members shall serve without compensation, but shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

6. The Milk Board shall be financed as provided in paragraph six (6) of Part IV of this Agreement.

7. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Milk Board:

- (a) to receive and investigate complaints of violations of the terms or conditions of this Agreement, and to issue warnings with respect thereto;
- (b) to adjust disputes arising under this Agreement between contracting producers and/or contracting distributors;
- (c) to report its findings, with recommendations, to the Secretary for proceedings under the Act or otherwise, as he may deem advisable;
- (d) to administer the marketing plan set forth in Exhibit B and to provide for payments to producers in accordance with the provisions of Exhibit A;
- (e) to account for all funds collected by it pursuant to this Agreement.

PART IV

1. The schedule governing the prices at which, and the terms and

conditions under which, milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk shall be that set forth in Exhibit A, which is attached hereto and made a part hereof. The provisions of such schedule may be changed from time to time by agreement between: (a) percent of the contracting producers, measured by total volume of milk produced and marketed by contracting producers for distribution as fluid milk during the calendar month next preceding the date of any such agreement, which percentage of milk marketed shall include percent of the contracting producers; and (b) percent of the contracting distributors, measured by total volume of milk distributed by contracting distributors as fluid milk during such calendar month, which percentage of distribution shall include percent of the contracting distributors; provided, however, that such changes shall become effective only upon written approval of the Secretary. Payments to the Milk Board made on behalf of producers pursuant to paragraph six (6) of Part IV of this Agreement, and like payments to the made pursuant to membership agreements, shall, respectively, be deemed part of the price paid to producers.

2. The plan governing the marketing of milk for distribution as fluid milk within the

Production Area and the Sales Area shall be that set forth in Exhibit B, which is attached hereto and made a part hereof. Such plan may be modified by agreement between: (a) percent of the contracting producers, measured by total volume of milk produced and marketed by contracting producers for distribution as fluid milk during the calendar month next preceding the date of any such agreement, which percentage of milk marketed shall include percent of the contracting producers; and (b) percent of the contracting distributors, measured by total volume of milk distributed by contracting distributors as fluid milk during such calendar

month, which percentage of distribution shall include percent of the contracting distributors; provided, however, that such changes shall become effective only upon the written approval of the Secretary.

3. The schedule governing the prices at which, and the terms and conditions under which, fluid milk shall be distributed and sold by the contracting distributors in the

Sales Area, shall be that set forth in Exhibit C, which is attached hereto and made a part hereof. Such schedule may be changed from time to time by agreement between: (a) percent of the contracting producers, measured by total volume of milk produced and marketed by contracting producers for distribution as fluid milk during the calendar month next preceding the date of any such agreement, which percentage of milk marketed shall include

percentage of the contracting producers; and (b) percent of the contracting distributors, measured by total volume of milk distributed by contracting distributors as fluid milk during such calendar month, which percentage of distribution shall include percent of the contracting distributors; provided, however, that such changes shall become effective only upon the written approval of the Secretary.

4. The schedule of fair practices set forth in Exhibit D, which is attached hereto and made a part hereof, shall be the uniform schedule of fair practices for the

Sales Area. The provisions of such schedule may be changed from time to time by agreement between percent of the contracting distributors, measured by total volume of milk distributed as fluid milk during the calendar month next preceding the date of any such agreement, which percentage of distribution shall include percent of the contracting distributors by number, provided, however, that such changes shall become effective only upon the written approval of the Secretary.

5. The organization of the several production areas and sales areas, operating under marketing agreements for milk entered into pursuant to Section 8 (2) of the Act, into districts and regions, and the designation

thereof, shall be governed by the plan set forth in Exhibit E. The duties, powers and privileges of the district committees, regional boards, and national board shall be those enumerated in Exhibit E.

6. (a) The contracting distributors agree that they will not purchase milk from any producer not a member of the

unless such producer authorizes the purchasing contracting distributor to pay over to the Milk Board the same amount per hundred pounds of milk purchased which members of the

are then authorizing the contracting distributors to pay over to the

on behalf of its members, and such purchasing contracting distributor shall simultaneously with making payment to the producer for milk purchased, make payment as aforesaid to the Milk Board. The sum so paid shall be kept (except as provided in sections (b) and (c) of this paragraph) as a separate fund by the Milk Board and shall be expended by the Milk Board in securing for non-members of the

services and benefits, generally similar to those which are secured by the members of the

by virtue of their like payments to the

(b) The

agrees to pay to the Milk Board on or before the day of each month, on behalf of its members, the sum of cents for each one hundred pounds of milk marketed by its members at Class I prices during the preceding month.

Each contracting distributor agrees to pay to the Milk Board, on or before the day of each month, cents for each one hundred pounds of milk purchased by him at Class I prices during the preceding month.

Each contracting distributor who produces all or part of the milk distributed by him agrees to pay to the Milk Board, on or before the day of each month, cents for each one hundred pounds of such milk distributed by him as Class I milk during the preceding month.

The sums paid pursuant to this section, and cents for each one hundred pounds of milk paid pursuant to section (a) of this paragraph, shall be kept as a separate fund by the Milk Board and shall be expended by the Milk Board for the purpose of securing to producers and contracting distributors advertising and educational benefits through such agencies as the Milk Board may create or approve.

(c) The

agrees to pay to the Milk Board on or before the day of each month, on behalf of its members, the sum of cents for each one hundred pounds of milk marketed by its members during the preceding month. The sums so paid, and cents for each one hundred pounds of milk paid pursuant to section (a) of this paragraph, shall be expended by the Milk Board for its necessary expenses of administration.

(d) The Milk Board shall keep separate books and records in form satisfactory to the Secretary pertaining to all funds paid to it pursuant to this paragraph, which books and records of the Milk Board shall be subject to the examination of the Secretary during the usual hours of business, and the Milk Board shall from time to time furnish the Secretary such information under oath as the Secretary may require.

7. All producers not members of the

shall be permitted to become members of the

on an equal basis with existing members similarly circumstanced.

8. (a) The contracting distributors and the contracting producers shall severally, from time to time, upon the request of the Secretary, furnish him such information, on and in accordance with forms of reports to be supplied by him, for the purposes of (1) assisting the Secretary in the furtherance of his powers and duties with respect to this Agreement, and/or (2) enabling the Secretary to ascertain and determine the extent to which the declared policy of the Act and the purposes of this Agreement are being effectuated, such reports to be verified under oath. The Secretary's determination as to the necessity of and justification for the making of such

reports and the information called for thereby shall be final and conclusive.

(b) The contracting distributors and contracting producers also severally agree that, for the same purposes, and/or to enable the Secretary to verify the information furnished him on said forms of report, all their books and records, and the books and records of their affiliates and subsidiaries, shall during the usual hours of business be subject to the examination of the Secretary. The Secretary's determination as to the necessity of and justification for any such examination shall be final and conclusive.

(c) Contracting distributors and contracting producers and their respective affiliates and subsidiaries shall severally keep books and records which will clearly reflect all financial transactions of their respective businesses and the financial condition thereof.

(d) All information furnished the Secretary pursuant to this paragraph shall remain confidential in accordance with the applicable General Regulations, Agricultural Adjustment Administration.

(e) The contracting distributors and the contracting producers severally agree that prior to the effective date of this Agreement they will procure the execution by their respective affiliates and subsidiaries of supplemental agreements with the Secretary, in form satisfactory to the Secretary, by which each such affiliate and subsidiary will agree to comply with and assist in the performance of the provisions of this paragraph.

9. All milk marketed and all fluid milk distributed in accordance with the terms of this Agreement shall be produced, received, transported, processed, bottled, and distributed in accordance with the provisions of the health laws, ordinances and regulations of the Federal, state, municipal, or other political subdivisions within which such milk is marketed and distributed. All such ordinances and regulations for the purposes herein stated shall be deemed a part of this Agreement.

10. The contracting distributors hereby apply for and consent to licensing by the Secretary, subject to the applicable General Regulations and Milk Regulations, Agricultural Adjustment Administration.

11. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated in one of the following ways:

(a) The Secretary may at any time terminate this Agreement as to all parties hereto, by giving at least one day's notice by means of a press release or in any other manner which the Secretary may determine.

(b) The Secretary may at any time terminate this Agreement as to any party signatory hereto, by giving at least one day's notice, by depositing the same in the mail addressed to such party at his last known address.

(c) The Secretary shall terminate this Agreement upon the request of percent of the contracting producers, measured by total volume of milk produced and marketed by contracting producers for distribution as fluid milk during the calendar month next preceding the date of any such request, or percent of the contracting distributors, measured by total volume of milk distributed by contracting distributors as fluid milk during such calendar month, by giving notice in the same manner as provided in section (a) of this paragraph.

(d) This Agreement shall in any event terminate whenever the provisions of the Act authorizing it cease to be in effect.

12. This Agreement confers no exemption from the antitrust laws of the United States and does not make lawful any acts otherwise unlawful, excepting as provided in the Act to the extent necessary to accomplish the purposes of this Agreement.

13. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges and immunities conferred by this Agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done

prior thereto.

14. This Agreement may be executed in multiple counterparts, which, when signed by the Secretary, shall constitute, when taken together, one and the same instrument as if all such signatures were contained in one original.

15. After this Agreement first takes effect, any producer or any distributor may become a party to this Agreement, if a counterpart thereof is executed by him and by the Secretary. This Agreement shall take effect as to such new contracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges and immunities conferred by this Agreement shall then be effective as to such new contracting party.

16. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement and/or the applicability of any provision to any other person, circumstance or thing shall not be affected thereby.

17. Nothing contained in this Agreement shall be construed in derogation or modification of the rights of the Secretary to exercise any powers granted him by the Act or otherwise, and, in accordance with such powers, to act in the premises whenever he shall deem it advisable.

18. The Secretary may by a designation in writing, name any person, including any officer or employee of the Government of the United States, to act as his representative in connection with any of the provisions contained in this Agreement to be performed by the Secretary.

IN WITNESS WHEREOF the contracting producers and the contracting distributors, acting under the provisions of the Agricultural Adjustment Act, for the purposes and subject to the limitations therein contained, and not otherwise, have hereunto set their respective hands and seals.

WHEREAS, it is provided by Section 8 of the Act as follows:

"In order to effectuate the declared policy, the Secretary of Agriculture shall have power - - - - (2) To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this Act."

And -

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of the Act, and the regulations issued thereunder; and

WHEREAS, the Secretary finds (1) that the contracting producers are engaged in the marketing of milk and that the contracting distributors are engaged in the handling of fluid milk in the current of interstate commerce; and (2) that the conditions existing in the marketing of milk and the distribution of fluid milk in intrastate commerce burden the marketing of milk and the distribution of fluid milk in interstate commerce; and (3) that the marketing of milk and the distribution of fluid milk in intrastate commerce is inextricably intermingled with the marketing of milk and the distribution of fluid milk in interstate commerce; and

WHEREAS, it appears, after due consideration, that this Agreement will tend to effectuate the policy of Congress declared in Section 2 of the Act, as hereinbefore in this Agreement set forth;

NOW THEREFORE, I, Henry A. Wallace, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purpose and within the limitations therein contained, and not otherwise, do hereby execute this Agreement under my hand and official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this _____ day of _____, _____, and pursuant to the provisions hereof, declare this Agreement to be effective on and after _____ M. Eastern Standard Time, _____.

EXHIBIT A

CLASSIFICATION OF MILK AND PRODUCER PRICES

(Note: This exhibit may be prepared in typewritten form, using, as far as possible, the indicated terminology and organization.)

As used in this exhibit and in Exhibit B, the term "delivery period" means a monthly period. (Note: If the custom of the market is to pay semi-monthly, insert the words "from the first to the fifteenth and from the sixteenth to the end of each month" instead of the words, "a monthly period".)

1. Prices paid to producers shall be determined with reference to the rules for control of production and method of payment as set forth in Exhibit B.

2. All milk purchased and/or sold under the Agreement shall be divided into the following classes according to its sale or use by contracting distributors:

- (a) Class I milk
- (b) Class II milk
- (c) Class III milk

(Note: The following uses of milk should be classified:

All milk sold in bottles.
All milk sold in bulk pursuant to Exhibit C.
All cream sold in bottles.
All cream sold in bulk pursuant to Exhibit C.
All chocolate milk.
All lactic cultured wholemilk or creamed buttermilk.
All milk or cream for ice cream mix.
All milk for manufacture - specify product if necessary.
All milk purchased and not reported as sold or used.)

3. Contracting distributors shall pay producers the following prices for milk, F. O. B. _____:

- (a) Class I milk---\$
- (b) Class II milk--\$
- (c) Class III milk--

(Note: If the Class III price is determined with reference to prices for butter, the following formula is suggested:
"The price per cwt shall be determined by adding _____ cents to the figure obtained by multiplying the butterfat content of the milk by the average price per pound of _____ score butter at wholesale in the _____ market as reported by the United States Department of Agriculture for the delivery period during which the milk is marketed.")

4. A differential of _____ cents shall be paid for each 1/10 of 1 percent butterfat content below or above _____ percent butterfat.

5. All butterfat in excess of the percent of butterfat in the natural milk flow of the herd, in any class, shall be paid for at the Class III price.

6. No contracting distributor shall purchase any milk or cream from a distributor who produced such milk or cream except at the price for Class III milk.

7. (Note: Here set forth any transportation differentials from prices set forth in paragraph three.)

8. (Note: Here set forth any quality differentials from prices set forth in paragraph three.)

9. (Note: If stated classified prices are to be blended, here set forth the plan for blending.

10. All payments by contracting distributors to producers for milk delivered during any delivery period shall be made within _____ days after the close of such delivery period.

EXHIBIT B

MARKETING PLAN

As used in this exhibit, the term "base" means a quantity of milk which represents the quota of milk production of any producer, farm or herd, as the case may be, which, when marketed daily, will tend to establish a balance between the production of milk in the Production Area and the consumptive demand for fluid milk.

A. Production Control

1. The contracting distributors shall not purchase milk for distribution as fluid milk which is not produced within the Production Area, provided, however, that if the Milk Board shall at any time declare that the consumptive demand for Class I and Class II milk in the Sales Area during any period exceeds the available supply of milk produced within the Production Area for distribution as fluid milk, the contracting distributors may purchase milk for distribution as fluid milk from without the Production Area during such period.

2. As promptly as possible after its organization, the Milk Board shall fix bases for all producers as follows:

(a) The base of a producer who distributes only milk produced by himself shall be the average daily quantity of milk distributed by him as fluid milk during the two full calendar months next preceding the effective date of the Agreement.

(b) The base of a producer who is a member of the shall be that recorded in the files of the

(c) The bases of producers not fixed pursuant to sections (a) and (b) of this paragraph shall be fixed by the Milk Board. Bases so

fixed shall be equitable with reference to bases fixed for members of the

(d) All bases fixed pursuant to this paragraph shall remain in effect until

3. In the event that any producer markets a quantity of milk during any delivery period which is less than his base, such quantity shall be regarded as his base for such delivery period.

4. (a) Before , the Milk Board shall fix bases for all producers to become effective for a period of one year from such date. Before each

bases for all producers to become effective for a period of one year from such date. All bases fixed pursuant to this paragraph shall be fixed as follows: the base of each producer shall be that percentage of the average daily amount of milk marketed by him for distribution as fluid milk during the months of

next preceding , which the total average daily sales of fluid milk during such period is of the total average daily amount of milk marketed by all producers for distribution as fluid milk during such period.

(b) The base of any producer which has been fixed pursuant to this exhibit shall not be decreased as the result of any adjustment made pursuant to section (a) of this paragraph if, during the period immediately preceding such adjustment, his deliveries have not varied more than percent from his base.

5. (a) The contracting distributors shall not purchase milk from any person who, on the effective date of the Agreement, is not marketing milk for distribution as fluid milk, or from any person who loses or transfers his base, unless such person shall have obtained a certificate of necessity from the Milk Board, stating that marketing conditions warrant the issuance thereof, by application to the Milk Board upon forms furnished by the Milk Board. In the event that such application is denied, there shall be a right of appeal to the Secretary in a manner to be determined by the Secretary.

(b) During the three months following the issuance of a certificate of necessity to any person, his base shall not exceed percent of the milk

marketed by him for distribution as fluid milk during such period. Thereafter, and until the next succeeding date upon which new bases for all producers go into effect, pursuant to paragraph four (4) of this article, the base of such person shall not exceed percent of the average daily amount of milk marketed by him for distribution as fluid milk during such period. All bases fixed pursuant to this section shall be fixed by the Milk Board.

6. (a) The contracting distributors shall purchase all the milk (provided it meets all the health requirements provided for or referred to in the Agreement) produced and tendered by all producers who have bases.

(b) To the extent necessary to effectuate the provision set forth in section (a) of this paragraph, the Milk Board may shift any producer from one contracting distributor to another.

7. Any producer with a base who rents a farm and transfers his herd to such farm may retain his base.

8. Any producer with a base who rents all or part of his farm on shares, shall retain such base to the exclusion of his tenant. If a herd is owned jointly, whether in a landlord-tenant relationship or otherwise, the base of such herd shall be divided by the joint owners in proportion to their interest. The bases of joint owners may, however, be combined as a single base.

9. Any producer who sells his entire herd to one purchaser at one time may transfer his base to the purchaser, provided that the entire herd is maintained for six months consecutively after such sale and transfer, either on the farm on which such herd shall have been located or upon the first farm to which such herd may be moved by such purchaser. Where the stated conditions are not strictly complied with, or where the purchaser fails to comply with the provisions of paragraph ten (10) of this article, the base of such herd shall be lost.

10. Any producer who moves his herd may retain his base only if milk is thereafter produced by him on a farm within the Production Area, or on a farm from which milk has been marketed for distribution as fluid milk within one year preceding.

11. Where a herd is dispersed for any reason, without transfer of the base of such herd, such base shall be lost unless the herd is replaced within

ninety days.

12. Any producer who voluntarily ceases to market milk for distribution as fluid milk for a period of more than consecutive months, shall lose his base.

13. Any producer may combine all bases to which he may be entitled.

14. The base of any producer who markets an amount of milk for distribution as fluid milk less than percent of his base during any consecutive months shall thereafter be fixed by the Milk Board in accordance with the amounts so marketed by him during such period.

15. No producer not regularly engaged in the distribution of milk shall market for distribution as fluid milk, either directly or indirectly, or distribute as fluid milk, the amount of milk produced by him in excess of his base except through the contracting distributor who purchases his base or through the association of producers through which he markets his base. The Milk Board shall serve written notice upon any producer violating this provision to cease such violation. In the event that such violation is not discontinued within five days after the date on which such notice is mailed, the Milk Board shall, after due notice and opportunity for hearing, cancel the base of such producer, who may, however, appeal to the Secretary.

16. The contracting distributors and the contracting producers shall furnish the Milk Board all information necessary to enable the Milk Board to fix bases in accordance with this article. Records with respect to bases shall be maintained by the Milk Board and such records may be examined, during the usual hours of business, by any producer or distributor.

B - METHOD OF PAYMENT (Plan 1 - Equalization Pool)

1. The Milk Board shall employ a competent and qualified accountant (hereinafter called the "auditor") who shall, subject to the supervision of the Milk Board, perform such duties as are set forth in this article. All information obtained by the auditor in the course of his duties shall not be disclosed by him, except as necessary in the performance of his duties, and except to the Secretary upon request.

2. The plan set forth in this article shall become effective during the first full delivery period following the effective date of the Agreement. In the event that the delivery period is a monthly period, said plan shall, however, become effective on the first or the sixteenth of the month, whichever next follows the effective date of the Agreement.

3. Within five days after the close of each delivery period, each contracting distributor shall report to the auditor on forms furnished by the Milk Board, the following information with respect to his operations during such delivery period:

- (a) The quantity and the weighted average butterfat test of all milk sold or used as Class I milk.
- (b) The quantity and the weighted average butterfat test of all milk sold or used as Class II milk.
- (c) The quantity and the weighted average butterfat test of all milk sold or used as Class III milk.
- (d) The quantity and the weighted average butterfat test of all milk delivered by or on behalf of each producer, together with the name of each such producer.
- (e) The quantity and the weighted average butterfat test of all milk sold or used which was produced by such distributor.
- (f) The quantity and the weighted average butterfat test of all milk delivered by or on behalf of all producers.

4. With respect to each delivery period the auditor shall:
 - (a) Compute the total value, in accordance with the prices set forth in Exhibit A, of the milk sold or used by each contracting distributor in each class;
 - (b) Compute the percentage of the total bases of all producers which was sold or used by all contracting distributors as Class I milk;
 - (c) Compute the percentage of the total bases of all producers which was sold or used by all contracting distributors as Class II milk.
5. Within ten (10) days after the close of each delivery period, the auditor shall notify all contracting distributors of the percentage of bases for which all producers are to be paid at Class I and Class II prices.
6. Each contracting distributor shall pay each producer who delivered milk to him during each delivery period as follows:
 - (a) At the Class I price for such an amount of the milk delivered by such producer as is equal to the amount derived by applying to the base of such producer the percentage computed pursuant to section (b) of paragraph four (4) of this article.
 - (b) At the Class II price for such an amount of the milk delivered by such producer in excess of the amount paid for pursuant to section (a) of this paragraph as is equal to the amount derived by applying to the base of such producer the percentage computed pursuant to section (c) of paragraph four (4) of this article.
 - (c) At the Class III price for all milk delivered by such producer and not paid for at Class I and Class II prices.

7. (a) The Milk Board shall maintain an adjustment account for each contracting distributor, which shall be debited for the value of the milk purchased by such distributor during each delivery period computed pursuant to section (a) of paragraph four (4) of this article, and which shall be credited for the total amounts paid to producers pursuant to paragraph six (6) of this article (including the deductions as set forth in paragraphs one (1) and six (6) of Part IV of the Agreement) for milk sold or used by such distributor during such delivery period. Balances on adjustment accounts shall be settled with the Milk Board or by the Milk Board, as the case may be, simultaneously with making payment to producers for milk purchased.

(b) The amount of the excess of total debits over total credits which shall have been paid to the Milk Board with respect to each delivery period shall be paid over to all producers who delivered milk for distribution as fluid milk during such delivery period, in any of the following ways:

- (1) By an equitable adjustment of the amounts of milk to be paid for at Class I prices with respect to the following delivery period; or
- (2) by additional payments for milk to be paid for at Class I prices with respect to the following delivery period.

(c) The Milk Board shall take such steps as it deems advisable to insure payment by contracting distributors of balances due on adjustment accounts by contracting distributors.

8. Any errors in computation of payments, or any discrepancies in reports of contracting distributors made pursuant to paragraph three (3) of this article, shall be adjusted when settlements are made with respect to the following delivery period.

9. Contracting distributors shall keep adequate books and records disclosing all of the facts and information required by the auditor to determine purchases, sales, movements out of plants and uses of all milk in its various classifications. For such purpose, the books and records of each contracting distributor shall be available to the auditor.

B - METHOD OF PAYMENT (Plan 2 - Base-Surplus Plan)

1. The plan set forth in this article shall become effective during the first full delivery period following the effective date of the Agreement. In the event that the delivery period is a monthly period, said plan shall, however, become effective on the first or the sixteenth of the month, whichever next follows the effective date of the Agreement.

2. Within five days after the close of each delivery period, each contracting distributor shall report to the Milk Board on forms furnished by the Milk Board, the following information with respect to his operations during such delivery period:

- (a) The quantity and the weighted average butterfat test of all milk sold or used as Class I milk.
- (b) The quantity and the weighted average butterfat test of all milk sold or used as Class II milk.
- (c) The percentages of the total bases of all producers who delivered milk to such distributor for distribution as fluid milk which was sold or used as Class I and Class II milk.
- (d) The quantity and the weighted average butterfat test of all milk sold or used as Class III milk.
- (e) The quantity and the weighted average butterfat test of all milk delivered by or on behalf of each producer, together with the name of each such producer.
- (f) The quantity and the weighted average butterfat test of all milk sold or used which was produced by such distributor.
- (g) The quantity and the weighted average butterfat test of all milk delivered by or on behalf of all producers.
- (h) The quantities of milk for which each producer will be paid at Class I, Class II and Class III prices, respectively. (Such quantities shall be determined pursuant to the provisions of paragraph four (4) of this article.)

3. Within ten (10) days after the close of each delivery period, the Milk Board shall notify contracting distributors of errors and discrepancies in reports made pursuant to paragraph two (2) of this article.

4. Each contracting distributor shall pay each producer who delivered milk to him during each delivery period at Class I, Class II and Class III prices, respectively, for the quantities reported by such distributor pursuant to section (h) of paragraph two (2) of this article, after adjustments have been made pursuant to paragraph three (3) of this article, and after deductions have been made pursuant to paragraphs one (1) and six (6) of Part IV of the Agreement.

5. (a) The Milk Board shall review and compile the reports of distributors with respect to each delivery period and shall:

- (1) Compute the percentages which the total sales of Class I and Class II milk, respectively, bear to the total bases of all producers;
- (2) Compute the percentages which the total sales of Class I and Class II milk, respectively, by all contracting distributors who purchase milk for distribution as fluid milk, bear to the total bases of all producers who deliver such milk to such distributors; and
- (3) Notify contracting distributors of the results of these computations.

(b) If the Milk Board shall find that any contracting distributor, who purchases milk for distribution as fluid milk, is consistently paying Class I and Class II prices for percentages of his producers' bases which vary substantially from such percentages for all contracting distributors, determined pursuant to the provisions of section (a) of this paragraph, the Milk Board may shift producers from or to such distributor, or may make such adjustments in the bases of producers as will make payments for milk equitable as between all producers.

6. Contracting distributors shall keep adequate books and records disclosing all of the facts and information required by the Milk Board to determine purchases, sales, movements out of plants and uses of all milk in its various classifications. For such purposes, the books and records of each contracting distributor shall be available to the Milk Board.

EXHIBIT C

PRICE SCHEDULE FOR WHOLESALE AND RETAIL SALES

(Note: The price schedules of this exhibit should be prepared in typewritten form, using as far as possible, the indicated terminology and the organization.)

	<u>RETAIL</u>	<u>WHOLESALE</u>
	<u>Delivered</u>	<u>Store</u>
Milk <u> </u> % butterfat		
Gallons (<u> </u> gal. and over)		
Gallons (Under <u> </u> gal.)		
Quarts		
Pints		
Half Pints		
Milk <u> </u> % butterfat		
Gallons (<u> </u> gal. and over)		
Gallons (Under <u> </u> gal.)		
Quarts		
Pints		
Half Pints		
(Suggested Designation of Articles)		
Buttermilk (churned)		
Buttermilk (cultured - not over 1% butterfat)		
Buttermilk (cultured - wholemilk)		
Skim milk (under 1% butterfat)		
Chocolate milk <u> </u> % butterfat		
Cream (light) <u> </u> % fat		
Cream (medium) <u> </u> % fat		
Cream (heavy) <u> </u> % fat		
Cream (sour) <u> </u> % fat		
Cottage cheese (dry)		
Cottage cheese (creamed)		

MISCELLANEOUS PROVISIONS

1. Sales of the above articles in the Sales Area shall be at the prices set forth. Sales of the above articles in bottles or containers shall be made only in bottles or containers of the size specified, and where a grade and/or percentage of butterfat is specified, only at the specified grade and/or percentage.

2. It shall not be deemed a violation of the Agreement to add to any price set forth in this exhibit any specified sales or occupational taxes imposed by the laws of any State, if permitted by such laws, but any such additions shall be uniform as to all contracting distributors.

3. As used in the schedule of retail prices:

(a) "Delivered" means sales involving deliveries by contracting distributors to the premises of the purchaser.

(b) "Store" means sales made from the place of business of the contracting distributor, commonly called "cash and carry" sales.

4. "Wholesale" means daily sales of at least _____ quarts of milk (or its equivalent):

(a) To hotels, restaurants, stores or other establishments for consumption on the premises; or

(b) To stores or other establishments for resale.

5. Sales to any public unemployment relief agency (either local, state or Federal), to any private unemployment relief agency cooperating with or accredited by any such public unemployment relief agency, to any charitable institution or agency, to any hospital in connection with its charitable operations, or to any government agency (either local, state or Federal) when purchasing upon competitive bids, may be made at prices less than those set forth in this exhibit.

RULES OF FAIR PRACTICE

The contracting distributors, their officers, employees, or agents shall not engage in any method or device whereby any article is sold or offered for sale at a price less than that stated in Exhibit C, whether by discount, rebate, redeemable certificates, stamps or tokens, free service, merchandise, credit for articles returned, loans or credit outside the usual course of business or other valuable consideration, or combined price for such article together with another commodity, whether separately or otherwise, or whereby a subsidy is given for business or information or assistance in procuring business.

EXHIBIT "E"

Organization of District Milk Industry
Committee, Regional Milk Industry Board
and National Milk Industry Board.

1. For the purpose of securing maximum advantages to the contracting parties and to consumers under the terms of the Agreement and other milk marketing agreements entered into pursuant to section 8 (2) of the Act, _____ Sales Area is hereby designated to be in District No. _____, Region No. _____.

2. A District Milk Industry Committee shall be established for District No. _____, Region No. _____, to consist of one representative of the contracting producers of the Production Area and one representative of the contracting distributors of the _____ Sales Area, and if and when designated, other production areas and sales areas in District No. _____, Region No. _____. Such representatives shall be designated by the respective Milk Boards.

The chairman of the first Milk Board organized in District No. _____ Region No. _____ shall, by written notice, call the first meeting of the representatives composing the District Committee. The District Committee shall be organized at its first meeting by the election from among its numbers, of a chairman, vice-chairman, and secretary, who shall perform the duties usually devolving upon such officers. The Secretary shall receive adequate notice of all meetings, and shall have the privilege of the floor, but shall not have a vote on any matters coming before the District Committee.

3. A Regional Milk Industry Board shall be established for Region No. _____, to consist of one representative of the contracting producers, and one representative of the contracting distributors of District No. _____, and if and when

designated, other districts in Region No. _____ . The representatives of each District shall be designated by the District Committee of such District. The Secretary shall, by written notice to the District Committees of Region No. _____ , call the first meeting of the representatives composing the Regional Board. The Regional Board shall be organized at its first meeting by the election from among its numbers, of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary shall receive adequate notice of all meetings, and shall have the privilege of the floor, but shall not have a vote on any matters coming before the Regional Board.

4. A National Milk Industry Board shall be established for the United States, to consist of one representative of the contracting producers and one representative of the contracting distributors of Region No. _____ , and all other regions. The representatives of each Region shall be designated by the Regional Boards of such Region. The Secretary shall, by written notice to the secretaries of the Regional Boards, call the first meeting of the representatives composing the National Board. The National Board shall be organized at its first meeting by the election from among its numbers of a chairman, vice-chairman, secretary, and treasurer, who shall perform the duties usually devolving upon such officers. The Secretary shall receive adequate notice of all meetings, and shall have the privilege of the floor, but shall not have a vote on any matters coming before the National Board.

5. All voting members of the District Committee, Regional Boards and the National Board shall serve without compensation, but shall be entitled to reimbursement for necessary expenses incurred in the performance of their duties.

(a) Expenses of members of District Committees shall be paid by the Milk Boards which designate such members.

(b) Expenses of members of Regional Boards and necessary operating expenses of Regional Boards shall be paid by the Milk Boards of the Region in the manner hereinafter described.

(c) Expenses of members of the National Board shall be paid by the Regional Boards which designate such members.

6. A budget for a stated period shall be established by the Regional Board to cover its estimated expenses. Such budget shall be submitted to the Milk Boards of Region No. _____, together with a statement of the amount in cents or fractions thereof per hundredweight of fluid milk distributed within the region necessary to cover such budget. Each such Milk Board shall note the period of the budget together with such amount per hundredweight, and shall make payment to the treasurer of the Regional Board in accordance with the volume of fluid milk distributed in its sales area for the three months immediately preceding the date of the budget. Payment of the sums determined in accordance with the provisions hereof may be made at one time or may be made in as many installments as there are months covered by the period of the budget. The payment of such total sum, or the first installment of such sum, shall be made upon the twentieth of the month following receipt of the budget, and thereafter installments shall be paid upon the twentieth of each succeeding month. The payments herein mentioned may, for good cause shown, be deferred from time to time upon the written approval of the Secretary.

7. The Regional Boards shall maintain such accounts and records as will accurately reflect their true accounts and financial conditions. The books and records of the Regional Boards shall be available during the usual business hours for inspection by authorized representatives of the Milk Boards within the Region.

8. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the District Committees;

- (a) to act as an advisory and coordinating committee within the industry in District No. _____;
- (b) to make recommendations to the Regional Board relating to matters affecting the industry in District No. _____;
- (c) to receive and investigate complaints arising from differences between the various sales areas and production areas operating within the district under milk marketing agreements entered into pursuant to Section 8 (2) of the Act;
- (d) to report its findings, with recommendations, to the Secretary for proceedings under the Act or otherwise which he may deem advisable.

9. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Regional Board:

- (a) to act as an advisory and coordinating board between the Districts within Region No. _____;
- (b) to make recommendations to the National Board relating to matters affecting the Districts in Region No. _____;
- (c) to receive and investigate complaints arising from differences between the Districts;
- (d) to report its findings, with recommendations, to the Secretary for any proceedings under the Act or otherwise which he may deem advisable.

10. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the National Board:

- (a) to act as an advisory and coordinating board between the Regions;
- (b) to make recommendations to the Secretary relating to matters affecting the Regions;
- (c) to receive and investigate complaints arising from differences between the Regions.

